

NEW ROLES FOR TECHNOLOGY

A Cold War Assault on Gas Guzzlers

By Matthew L. Wald
New York Times Service

NEW YORK — The White House and the Big Three auto companies announced a radical new approach to car technology and government-industry relations on Wednesday under which Washington will give Detroit technology that originated in weapons programs and the auto industry will strive to build a car that goes three times farther than current models on the same amount of fuel.

Washington is already working with the automakers on various technologies, but the new agreement, made public at a White House ceremony with President Bill Clinton and the chief executives of General Motors, Ford and Chrysler, will set a unifying 10-year goal: very high fuel economy that far exceeds the regulatory requirements. Meeting the goal would also reduce pollution and fuel imports. In addition, it is a way for the government to try to salvage huge assets threatened with obsolescence by the end of the Cold War. It is, in effect, an effort to beat swords into automobile fenders.

"We want American cars ahead of the parade, not bringing up the rear," Mr. Clinton said.

A White House statement on the agreement said the technologies that Washington would bring to the table included "super-strong, lightweight materials developed for advanced weapons systems" and advanced capacitors, devices that store electricity, which were built for the Strategic Defense Initiative, known as "star wars."

The Advanced Research Projects Agency will provide designs for highly efficient motors and fuel cells, and the Army Tank Command

will provide computer-aided systems for moving ideas into factory production faster, the statement said.

"We are going to push every aspect of vehicle technology to its limit, from lighter materials to new power train concepts," said the chairman of Chrysler, Robert J. Eaton. "Hopefully, the incremental improvements we make along the way will lead to the revolutionary breakthroughs we're all searching for."

The other chief executives on hand were John F. Smith Jr. of General Motors and Harold A. Poiting of Ford.

"We're always disappointed that we are never invited to the party," said Joe Tetherow, a spokesman for Toyota Motor Sales U.S.A. in Torrance, California, Bloomberg Business News reported. He said the company, had not decided whether to file a formal protest with the White House.

The long-term goal of the agreement is for each of the Big Three to produce in about 10 years one model that is practical and affordable and goes three times farther on a given quantity of fuel than comparable cars today. But the White House statement said the "government and industry engineers recognize that this ambitious goal will require radical changes in the way automobiles operate and that the results are risky and uncertain."

One Ford station wagon, for example, currently gets 17 miles per gallon (7 kilometers per liter) in city driving and 24 miles per gallon on the highway. If it was chosen for the project, researchers would try to

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Listening for Crime on D.C. Streets

By John Mintz
Washington Post Service

WASHINGTON — A large military company wants to use submarine detection equipment in the war on crime, to listen for the sound of gunfire on Washington's streets and to speed the arrival of policemen and ambulance crews.

Alliant TechSystems Inc., the world's biggest munitions manufacturer, has proposed setting up a pilot project in the District of Columbia. As envisioned, softball-sized machines containing microphones and tiny computers would be installed atop telephone poles or street lights in high-crime neighborhoods, and they could distinguish between the sound of gunshots, say, and firecrackers or slammed car doors.

The company has said its equipment would be activated only by the sound of shots.

If the company gets the federal support it is seeking, and the necessary city permits, company officials said, it could have a network in operation in the District by June 1995.

"The idea is to reduce the response time for shootings, which is crucial to saving lives and catching the ones with the guns," said Randy A. Doblar, business manager for Alliant's in Virginia. "It often takes several minutes for people to call the police, if they call at all.

Here, police would be notified automatically, within a split second."

Alliant is one of many military contractors, faced with huge Pentagon budget cuts, that are proposing such "defense conversion" plans in which military technologies are retooled for commercial uses. Alliant is seeking \$5.5 million from the Pentagon to set up the District experiment. It is one of 2,700 corporate proposals to the Clinton administration for \$475 million in military conversion funds. Grant winners will be announced within a few months.

Alliant wants to find a new use for technology that allows navy personnel in ships and submarines to find foreign submarines. Hydrophones, or underwater microphones, scan the deep. Computers, using "signal processing" technology, distinguish the telltale whirring of Russian submarine engines from the loud churning of the sea, underwater earthquakes and the sounds of whales. The computers then "cross-fix" or triangulate the hostile submarine's exact location. The company said it can use this "signal processing" gear to differentiate the crackle of gunfire — which has its own distinctive acoustic signature — from the roar of traffic, construction work and other city sounds.

The microphones would be installed on hundreds or thousands of telephone poles around a city. Within a fraction of a second after a

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LONELY VIGIL — A Georgian girl who has lost track of her parents waiting Wednesday at the airport in Georgia's capital, Tbilisi, where she arrived with others who fled fighting in Abkhazia. The Georgian leader, Eduard A. Shevardnadze, ordered the closing of a paper loyal to former President Zviad Gamsakhurdia.

Hard-Liners Must Leave By Monday, Yeltsin Says

In Issuing Ultimatum, He Warns Opponents of 'Serious Consequences'

By Margaret Shapiro
 and Fred Hiatt
Washington Post Service

MOSCOW — The Russian government warned lawmakers and their well-armed defenders inside the barricaded Russian parliament building on Wednesday to leave the premises by Monday or face "serious consequences."

The Oct. 4 ultimatum came just hours after General Albert Makashov, the militant nationalist who heads parliament's volunteer guards, announced that his men would shoot any police officers who came too near the building, which is cordoned off by thousands of policemen, water cannons, armored personnel carriers and concertina wire.

The defense minister, General Pavel S. Grachev, warned that hard-line opponents of President Boris N. Yeltsin were plotting terrorist acts that could lead down a dangerous path toward "a large and bloody conflict."

"We are still a long way from this," General Grachev said. "However, we already have early information pointing in this direction."

In Washington, President Bill Clinton strongly endorsed Mr. Yeltsin's handling of the standoff.

"I think so far they've done quite well," Mr. Clinton said. "I don't think that any of us should be here basically armchair quarterbacking the unfolding events."

For the first time since Mr. Yeltsin dissolved parliament Sept. 21 and ordered new elections, it began to seem Wednesday that time could work against him as the standoff between his forces and hard-line opponents dragged on. Parliament leaders and Vice President Alexander V. Rutskoi, the man they have anointed acting president of Russia, have barricaded themselves in the huge marble parliament building known as the White House, vowing to defy Mr. Yeltsin to the end.

Mr. Yeltsin is eager to avoid bloodshed in resolving the conflict, and he and his aides have repeatedly promised that they will not storm the parliament. Seeding his troops over the makeshift barricades surrounding the parliament building would undoubtedly result in loss of life and jeopardize Mr. Yeltsin's support here and in the West.

But the lawmakers inside the parliament, many of them extreme nationalists and hard-line former Communists, are becoming a focal point for their political comrades on the outside. At the same time, some cracks have begun to appear in the support Mr. Yeltsin has had from traditional allies, as liberals prodded Mr. Yeltsin to compromise and criticized alleged human rights abuses and press censorship by the government.

Mr. Yeltsin still appears to be winning the battle for popular support, but his team is unsure about how to translate that into a final victory. As the announcement of the Oct. 4 ultimatum indicated, Mr. Yeltsin and his government also sense the danger of losing control and support if things go on too long.

"Russia doesn't need this," said Mikhail Poltoranin, a longtime Yeltsin ally. "Everything has to be solved within the next week."

The sense of concern was heightened by the death Wednesday of a traffic policeman who was pushed under a car during an assault late Tuesday night involving several thousand angry supporters of the parliament. The demonstrators were trying to break through the police cordon and get into the building.

On Wednesday evening at least one street confrontation occurred, but the police, wielding rubber clubs and shields, dispersed the crowd with no serious injuries, according to early reports.

Representatives of both sides held negotiations seeking to resolve the crisis before it spins more out of control. But the principals in the political struggle — Mr. Yeltsin, Mr. Rutskoi and the parliament speaker, Russian I. Khasbulatov — have all said they are not open to compromise.

Mr. Khasbulatov has kept up a nonstop attack on Mr. Yeltsin and his Sept. 21 decree. Mr. Rutskoi, after being quite outspoken and

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Clinton Seeks to Remove U.S. Troops From the Somali Front Line

By Elaine Sciolino
New York Times Service

UNITED NATIONS, New York — The United States has told the United Nations that it wants the 1,300 American combat troops in Somalia used only for emergency operations and not for routine patrols that other UN troops are capable of carrying out, according to senior administration and UN officials.

The Clinton administration also repeated its intention to move the American combat troops, known as the Quick Reaction Force, from Somalia onto ships offshore "as soon as possible," the officials added.

The steps, which are part of an American strategy to remove the perception that the United States has become a combatant in Somalia, were met with skepticism by the UN secretary-general, Boutros Boutros Ghali.

The Quick Reaction Force was sent to Somalia in April as a combat-ready force under American command that the UN commanders could call on for emergency military situations. The original intention was that the ground troops would stay for a short time, and then be replaced by a Marine expeditionary unit on navy ships off the Somali coast.

But over the past few months, the UN commanders have

come to rely on the troops for help in routine firefights, patrols and convoy security, and for help disarming people. This has contributed to the impression among Somalis and Americans that the Somali operation is run by the United States, not the United Nations.

In addition to the combat-ready forces, the United States has deployed about 400 army Rangers and a handful of Delta Force commandos in an attempt to capture General Mohammed Farrah Aidid, the dominant warlord in Mogadishu, and about 2,800 logistical troops as part of the peacekeeping mission.

Secretary of State Warren M. Christopher conveyed the

American request to Mr. Boutros Ghali on Sept. 20 in a letter that described a number of other proposals to shift the focus away from capturing General Aidid and toward the process of national reconciliation.

In the letter, Mr. Christopher also said that as soon as conditions permitted, the United States wanted to move the troops "over the horizon," as one UN official put it.

The letter also warned that the United States might have to withdraw its combat forces if public support for the Somali mission continued to erode.

The UN official, who spoke on the condition of anonymity, See SOMALIA, Page 8

Kiosk

French Communist Chief to Resign

PARIS (Reuters) — Georges Marchais, France's veteran Communist leader and one of Europe's last hard-liners, announced Wednesday he was stepping down after two decades as head of the party.

Mr. Marchais, 73, who is recovering from a hip operation, said in a letter to the party's Central Committee that he wanted to retire from the leadership after the 28th Party Congress in January. "I have exercised this responsibility for 20 years, and you know how old I am," he said. "Of course I will remain, as always, a militant."

Mr. Marchais, who for years resisted reform within his once-powerful party, leaves just as it is preparing to abandon the major Leninist principle of organization, or "democratic centralism." When he took over in 1972, the party had a 25 percent share of the French vote and dominated the left. This has fallen to 7 percent.

Business/Finance
 Blockbuster Entertainment will invest \$600 million in Viacom. Page 11.

Dow Jones		Trib Index	
Up	Down	Up	Down
3,529.30	106.57	106.57	106.57

The Dollar		Interest Rates	
New York	West. @ close	1-month	3-month
DM	1.6135	1.6128	1.6128
Pound	1.512	1.514	1.514
Yen	106.08	106.005	106.005
FF	5.6328	5.6373	5.6373

Rice 'Emergency'

Breaking a political taboo, Japan will allow "emergency" imports of at least 1 million tons of rice to make up for anticipated shortfalls in the harvest because of bad weather. The move, to be announced Thursday, was seen as undercutting Tokyo's argument that Japan needs to be self-sufficient in the nation's staple food. (Page 16)

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Bosnian Parliament Rejects Peace Plan

New Fighting Feared as Muslims Demand More Territory

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — The Bosnian parliament rejected key terms of the latest Geneva peace plan on Wednesday in a vote destined to delay peace in Bosnia, where winter is fast approaching. The move also puts off the planned deployment of 30,000 NATO troops, including 25,000 American ground forces, to put any peace deal into effect.

In a rebuttal of the international mediators, Lord Owen and Thorvald Stoltenberg, the 69-member parliament voted overwhelmingly to accept the peace plan, but only on the condition that Serbian forces be cut to 70 percent of Bosnia's territory more territory to Muslim control. The peace plan would carve Bosnia into three ministries, one Croatian, one Muslim and one Serbian.

Serbian leaders have already promised to decrease their holdings to 52 percent of Bosnia, leaving Muslims with 31 percent and Croats with 17 percent. Muslim officials said they hoped for more talks but gave no concrete

evidence that either Serbian or Croatian factions would agree to return to the table.

The war has already left up to 200,000 people dead or missing.

The deputies also demanded international guarantees against aggression from Croatia and Serbia, which are widely believed to be planning to incorporate the Croatian and Serbian minorities into "Greater Croatia" and "Greater Serbia." And they formally protested what they called the "partisan" behavior of Russia, France and Britain, which the parliament accused of favoring Serbian and Croatian factions.

All three governments oppose a United States plan to lift the international arms embargo on the region, which would allow the Muslims to better defend themselves.

[In Washington, Defense Secretary Les Aspin said the Pentagon feared that Bosnia might suffer another winter of civil war, Reuters reported.]

Speaking shortly after the parliament voted, he said: "The developments in the peace process in Bosnia have turned rather pessimistic, and we have begun to think in this building about the possibility of Bosnia going through a whole winter without a settlement."

Speaking in Pale, the Bosnian Serbian leader, Radovan Karadzic, rejected the Muslim demands, saying that "enough is enough" and threatening to revoke all earlier concessions if the peace plan was not signed.

The action by the Bosnian parliament highlighted the unwillingness of Muslim leaders to sign their country away and reward what the United Nations itself has called aggression backed by Serbia, the main power in the region.

Still, by attaching new demands to the peace plan, the Muslim government is taking a risk that the Serb guns that ring almost every major Muslim population center in the eastern half of

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An Unrepentant U.S. Smoker Starts His Own Airline

International Herald Tribune

In what is either a public relations wheeze or a blow for freedom, a retired airline pilot in Ramona, California, is seeking to establish America's first air service specifically for smokers.

United States government regulations forbid smoking on domestic flights, so Ted Hall, a former United Airlines captain and inveterate smoker for 46 years, decided to do something about it.

He set up his own airline, Freedom Air, which made a trial run between Chicago and

Los Angeles on Tuesday with 50 people on board. To get around the regulations, Mr. Hall established a "smokers' club" — membership fee \$20 — that plans to charter aircraft on which members can puff away at their leisure. Charter travel is not subject to the smoking ban. Mr. Hall called the ban "un-American."

He reckons that with an estimated quarter of the population still smoking despite a blitz of health warnings, he ought to be able to find enough passengers to make his service a paying proposition. After two more trial flights

to test the market, Mr. Hall said, he will decide whether to go ahead with regular service.

A passenger does not have to smoke to fly on Freedom Air, which offers a competitive round-trip fare of \$400 on the Chicago-Los Angeles route. But all passengers must sign a waiver saying they will not sue over secondary-smoke inhalation.

The service is using an aging Boeing 727, with a 165-seat capacity. The reason? "It's got great ventilation," said a Freedom Air spokesman.

For U.S. College Students, a 3-Year Itch

By William H. Honan
New York Times Service

NEW YORK — With a savings of thousands of dollars, up to perhaps \$25,000, as the incentive for students, the concept of a three-year college degree is gaining adherents around the United States.

In California and New York, leaders of state-supported university systems see the idea as a way to cope with the prospect of rising enrollment and declining state financing. Elsewhere, administrators of small liberal arts colleges look upon accelerated degree programs as a way to prevent the loss of students to less-expensive state-supported institutions.

In addition, heads of small preparatory schools see such programs as an opportunity to

emphasize the schools' importance in preparing students for compressed and therefore more demanding academic performance.

Students, too, are showing interest in shortening the time for a degree. The number of high school students taking Advanced Placement tests, a way to get college credits before enrollment, rose last year by 59,000, to 639,000, the largest numerical increase in the last decade. And a recent survey of high school students showed 77 percent expressing interest in three-year degrees, up from 42 percent a decade ago.

The accelerated bachelor's degree program, which has long been practiced by gifted students but not mentioned in college catalogues, began to be widely discussed in the fall of 1991 by S. Frederick Starr, the president of Oberlin College in Ohio.

"It's the only plan around that would actually reduce the cost of a B.A. degree," Mr. Starr said. "It cuts the cost of a \$100,000 Harvard B.A. to \$75,000."

Costs are not the only factor. An accelerated degree program also holds out the prospect of opening an institution to more students. "Every time you keep a student a year longer than he needs," said Barry Munitz, chancellor of the California State University System, "you're depriving someone else of a place."

Earlier this year, D. Bruce Johnston, chancellor of the State University of New York, told his trustees that he would make "learning efficiency" a priority and that a "time-shortened

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A Muscovite who lives near the parliament building passing troops outfitted in riot gear as he made his way home on Wednesday.

سكوا من الأصيل

Clinton Foreign Policy: Hard to Define in a Turbulent Time

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The speech-making blitz by President Bill Clinton and his senior foreign-policy advisers in the last week highlighted a struggle that began on inauguration Day to articulate the administration's approach to world affairs clearly and coherently.

It is a campaign that may not yet have succeeded, judging by early returns. European diplomats were sympathetic on Tuesday, noting that it frequently takes months for the foreign policy of new administrations to shake out. But American critics said that even now the Clinton team had offered little more than generalities, not an overall policy.

Mr. Clinton pledged in his inaugural address that "when our vital interests are challenged, or the will and conscience of the international community is defied, we will act — with peaceful diplomacy whenever possible, with force when necessary."

He and his senior advisers have been trying ever since to make clear what challenges to the nation's "vital interests" would prompt a response, and what that response might be.

"Our overriding purpose," Mr. Clinton told the United Nations General Assembly

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on Monday, "must be to expand and strengthen the world's community of market-based democracies."

But in the end, as the chief U.S. delegate to the United Nations, Madeleine K. Albright, said in a Sept. 23 speech at the National War College, the United States will approach international conflicts on "a case-by-case basis, relying on diplomacy whenever possible, on force when absolutely necessary."

A case-by-case approach may be the only one possible in a world where the certainties of the Cold War have evaporated, many analysts have said. The Clinton

team may face an insuperable task in trying to express an overall vision for what promises to be an inherently disorderly era.

But the problem with the case-by-case approach, critics say, is that it exposes the administration to the forces of lobbying, emotive television images and congressional grandstanding without the tools to resist these pressures.

The administration's policy has had many formulations.

Last spring, Mrs. Albright espoused "assertive multilateralism," saying the United States would use its influence to prevent regional and ethnic conflicts, "but usually we will not want to act alone."

Secretary of State Warren M. Christopher quickly repudiated what was seen as an expression bordering too closely on isolationism and retrenchment. "We stand prepared to act decisively to protect our interests whenever it is necessary," he said. "In this new era, United States leadership is required to deal with new priorities, problems that respect no boundaries."

On Sept. 21, as part of a series of speeches last week by Mr. Christopher, Mrs. Albright and the national security adviser, W. Anthony Lake, that led up to Mr. Clinton's UN address, Mr. Lake espoused a "strategy of enlargement" of democracy and free markets abroad.

But none of these formulations have provided clear guidance for dealing with three crises that the Clinton administration inherited, in Somalia, Bosnia-Herzegovina and Haiti.

Demands in Congress and the press that the administration either do more to save lives or stay out because U.S. interests are

not affected were not stilled by the one-handed, on-the-other-hand formulation that Mr. Christopher used in his segment of a four-speech sequence last week.

"The central purpose of our foreign policy," he said Sept. 20 at Columbia University, "is to ensure the security of our nation and to ensure its economic prosperity as well, and to promote democratic values. The United States must maintain its military strength and reinvestigate its economy so we can retain the option to act alone when that is best for us."

But he added, "we should not ignore the value of working with other nations."

The four speeches "give you a clearer focus on what our vision is than before," said Representative Lee H. Hamilton, House of Representatives, the chairman of the House Foreign Affairs Committee. "But that's not the end of it."

WORLD BRIEFS

Kohl Worker Said to Be Held as Spy

BOON (Reuters) — German policemen arrested a secretary in Chancellor Helmut Kohl's office on Wednesday and charged her with spying for the former East German secret service, the mass-circulation Bild Zeitung said.

The paper, citing government sources, said it was the most serious case of espionage uncovered in Bonn since German unification in 1990. The secretary was identified as a married woman working with top secret papers in the chancellery. The Bild report said her contact in the former East Germany's state security police, the Stasi, was also arrested. The police did not immediately confirm the report. The Stasi infiltrated all walks of East German life and operated extensively in the West. The East German spy master Markus Wolf is now on trial in Düsseldorf, accused of treason.

3 Charged in German's Miami Killing

MIAMI (Reuters) — Three suspects in the slaying of a German tourist on a Miami highway on Sept. 8 were charged with first-degree murder on Wednesday.

Patsy Jones, 20, who is accused of having pulled the trigger; her boyfriend, Recordell Wiggins, 19, and their friend Alvin Hudson, 19, are charged with gunning down Uwe-Wilhelm Rakebrand after he refused to pull his rental car over. The trial is not expected to take place for several months.

Labor Party Loosens U.K. Union Tie

BRIGHTON, England (NYT) — John Smith, the Labor Party leader, narrowly won a knock-down, drag-out struggle Wednesday to weaken the hold of Britain's labor unions over the Labor Party.

Lined up against Mr. Smith were some of the most powerful unions in the country, including the Transport and General Workers' Union, with more than a million members, and the General Municipal and Boiler-makers Union, with more than 800,000.

Fulfilling a pledge made by Mr. Smith 16 months ago, the party leadership pushed through changes in its rules to diminish the union's role in conference voting, in choosing the party leader and deputy leader and in selecting candidates to run for Parliament.

Britain Cool on IRA's Offer of Truce

BELFAST (Reuters) — Britain, responding to reports of a conditional IRA cease-fire offer, said Wednesday that it would never make any deal with the guerrillas if they refused to lay down their arms.

The secretary of state for Northern Ireland, Sir Patrick Mayhew, said that the guerrillas would never bomb their way to the conference table and that only an end to the armed struggle would suffice. "The one message I'm interested in from the IRA is the message that will say there is a permanent cessation of violence," he said in an interview with the newspaper the Belfast Telegraph.

Prime Minister Albert Reynolds of Ireland, in his first comments since details of the tentative peace plan, backed by the Irish Republican Army's political wing, Sinn Fein, were leaked to newspapers, said all sides should focus on achieving peace as a prelude to finding a long-term solution for the disputed province.

China Urges Curbs on Nuclear Arms

UNITED NATIONS, New York (AFP) — China, which the United States suspects is preparing a nuclear weapons test, called Wednesday for the destruction of nuclear arms and an early start to talks for a comprehensive test-ban treaty.

The Chinese foreign minister, Qian Qichen, told the United Nations General Assembly: "If complete prohibition and thorough destruction of nuclear weapons cannot be achieved soon enough, well then, let the nuclear powers reach an agreement not to be the first to use nuclear weapons as well as not to use the same against nonnuclear-weapon states or nuclear-free zones."

"We support an early start of negotiations for a comprehensive nuclear test ban treaty," he said, "and will work in common with the other countries toward a comprehensive nuclear test ban at an early date."

TRAVEL UPDATE

Air France ground staff unions and two cabin staff unions called a 24-hour strike for Oct. 12 to protest the airline's plans to cut 4,000 jobs, union sources said. Pilots' unions did not join the call.

Italian unions upset by Prime Minister Carlo Azeglio Ciampi's austerity policies also are planning job actions that will affect air travel, rail lines and schools. A pilots' strike is planned for Monday on Alitalia. Rail workers are to stop work Oct. 17-18, and scattered strikes are planned among school and public employees in the next several weeks.

Wilhelmstrasse, the Berlin street much associated with Prussian aggression and later Hitler's criminal regime, is to get back its old name after a bitter fight, city officials said Wednesday. The street, renamed for East Germany's first prime minister, Otto Grotewohl, when the Communists took power after World War II, would carry both signs for six months.

Japanese airlines, including Japan Airlines and ANA, will slash economy class fares by up to 32 percent for passengers traveling to Europe starting April 1994 in a bid to boost sagging earnings.

Japanese Military Opens Huge Exercise

TOKYO — The Japanese armed forces launched their biggest military maneuvers since the end of World War II on Wednesday, drawing a strong rebuke from North Korea.

The war games, in which all three branches of the military and some U.S. units are participating, will involve 90,000 servicemen and hundreds of warships and aircraft in and around northern Japan, facing Russia and North Korea.

The Japan Defense Agency stressed that the exercises had no connection to any possible political tension with either Russia or North Korea. But North Korea chose the moment to accuse Japan of a military buildup that justified the North Korean missile program.

"Japan keeps stationing in her territory huge armed forces targeted against the DPRK," the official daily Rodong Sinmun said, using the initials for the Democratic People's Republic of Korea.

The Japanese military are "deploying a large number of latest-type offensive weapons, including sophisticated missiles, and are hastening her nuclear armament," the paper said. "It is only too natural for the DPRK to increase its self-reliant defense capabilities, including self-defensive missile exercises, under such conditions."

Japan has one of the world's best-equipped conventional forces, and they have benefited from a budget that, since 1989, has ranked among the world's largest.

Western experts have said that the Japanese military had a large weak spot — coordination between its air, naval and land forces — that the exercises hope to remedy.

The army is contributing 9,000 troops, the navy 37,000 and the air force 46,000, in the first time in 10 years that all three wings will have exercised together, the agency said.

Many of the exercises will take place in Hokkaido, the largest island in the northern part of the archipelago. It is close to the four disputed islands of the Kuril chain that were seized from Japan by the Soviet Union in 1945 and have remained under Moscow's control.

The maneuvers will continue until Oct. 12, the day President Boris N. Yeltsin of Russia is scheduled to visit Tokyo.

In Moscow on Wednesday, Sergei Filatov, an aide to Mr. Yeltsin, appeared to exclude any chance of a settlement of the Kuril issue during the Russian president's visit.

"We cannot discuss the issue in its entirety today," he said. "It's not a good time for such discussions, and it's not the most important thing." In any event, he said, "We will not start off by abandoning some of our territory. It would be naive to suppose that President Yeltsin would resolve the dispute in Japan's favor at the stroke of a pen."

As for North Korea, its suspected drive to build a nuclear bomb has triggered alarm in Japan, especially at the prospect that a delivery vehicle — the Rodong-1, a missile with a range of 1,000 kilometers (600 miles) — is under development.

Foreign Minister Tsutomu Hata emphasized Japan's concerns in talks Tuesday at the United Nations General Assembly with the U.S. secretary of state, Warren M. Christopher, and the Chinese foreign minister, Qian Qichen.



PAKISTANI ELECTION SMORGASBORD — A man perusing a billboard covered with posters of candidates in Rawalpindi, near Islamabad, on Wednesday. Elections for national and provincial assemblies are scheduled to be held for two days next week.

Hosokawa Is Assailed For Apology

TOKYO — The opposition Liberal Democratic Party criticized Prime Minister Morihiro Hosokawa on Wednesday for acknowledging Japanese military aggression during the 1930s and 1940s.

"It's going too far to say Japan fought an aggressive war," said Yoshi Kono, leader of the Liberal Democrats, who lost power to Mr. Hosokawa's coalition seven weeks ago.

"Our military leaders made mistakes during the war and caused trouble for many people," he told a party convention in Tokyo.

"But how one views the situation depends which side you were on during the war."

Mr. Hosokawa went further than any previous Japanese leader in admitting his country had fought an aggressive and brutal war during 1931-45.

The remark, made at his first news conference as premier on Aug. 10, sparked protests both in and out of coalition, which includes many conservatives.

Two weeks later, in a speech to parliament, Mr. Hosokawa gingerly backtracked a bit, talking about "past Japanese actions, including aggression" instead of "an aggressive war."

Regardless of his choice of words, Mr. Hosokawa has won wide support from liberals for his willingness to confront the past.

During their long years in power, Liberal Democratic Party leaders offered only vague apologies, fueling suspicion in Asia that Japan felt little remorse for its wartime conduct.

Ryutaro Hashimoto, a former finance minister who is now the party's policy chief, said Mr. Hosokawa had offended war veterans as well as the relatives of Japan's war dead.

"After the prime minister said we fought an aggressive war, I received many letters from veterans and their relatives," he told the convention.

"How do you think they feel to be told the country erred in waging an aggressive war?"

Peter De Vries, Comic Novelist, Dies

By Eric Pace
New York Times Service

NEW YORK — Peter De Vries, 83, a writer who was best known as a comic novelist and as a contributor to The New Yorker magazine, died Tuesday of pneumonia at a hospital in Norwalk, Connecticut.

Mr. De Vries, who lived in Westport, Connecticut, was a staff contributor to The New Yorker from 1944 to 1987, and later served as a consultant. He also wrote two dozen books over the years.

The critic John Gross — looking back over Mr. De Vries' career as a novelist in a review of the picaresque novel "Peckham's Marbles," gave a novelist addicted to wordplay — about this explanation of his humor in The New York Times in 1986:

"The author still remains in a class by himself among contemporary comic writers; an unsurpassed

connoisseur of non sequiturs and wild misunderstandings. He is to be relished as much for the skill with which he deploys a recurring expletive — "ah boo boy" — as he is for his set-pieces.

Wisecracks were a longtime art form for Mr. De Vries. Most of his published writings for The New Yorker were portions of his comic novels, but he helped regularly with the magazine's cartoons, suggesting improvements in captions and other changes, and sometimes helping to develop a cartoon idea.

Two Broadway plays were made from his writings. "The Tunnel of Love" (1957) and "Spofford" (1967), and four movies: "The Tunnel of Love" (1970), "Pete 'n' Tilly" (1972) and "Reuben, Reuben" (1983). His writing for the stage included sketches for "Two's Company" (1952).

Andrew F. Tully Jr., 78, Novelist and Columnist

NEW YORK (NYT) — Andrew F. Tully Jr., 78, an author who was one of the first American reporters to enter conquered Berlin in April 1945, died Monday in a nursing home in Silver Spring, Maryland.

Mr. Tully's writing career spanned six decades. His work included several novels and popular nonfiction books on the workings of Washington.

John Pamel, 53, who helped transform the sport of pole vaulting in the 1960s and was the first person to clear 17 feet, died of cancer on Sunday in Santa Monica, California.

Peter Lipman-Wulf, 88, a German-born sculptor who lived in the United States for nearly 50 years, died of cardiac arrest Saturday in Hamburg, Germany.



IMPASSIONED POLITICIAN — Prime Minister Kim Campbell of Canada making her views known in a radio interview. Mrs. Campbell heads the Conservative government, which has held power for nine years. She has called national elections for Oct. 25.

Hungry Bosnians Will Get A Variant of U.S. Rations

WASHINGTON — Soldiers may complain about Meals Ready-to-Eat, but the Pentagon is proud of its MREs and has invented similar packaged meals to feed hungry civilians — starting in Bosnia.

Defense Secretary Les Aspin brought forward the latest in instant meals Wednesday: the Humanitarian Daily Ration, or HDR. "It's pretty good," he said, holding up a brown plastic pouch with a full day's ration of rice, beans and bread.

Designed for emergency relief missions abroad, HDRs are cousins of MREs, the much-maligned but dependable field rations that U.S. troops ate during the Gulf War.

The new version is cheaper: a day's ration is less than a third the price of the military package. And it provides a vegetarian diet that complies with religious prohibitions. Bosnian Muslims, for example, do not eat pork.

"This is one of those rare occasions where we've taken a good thing and made it better and cheaper," Mr. Aspin said. "It really is a humanitarian MRE."

Sihanouk Threatens Foes

CHBAR MORN, Cambodia — King Norodom Sihanouk declared Wednesday that the government would seize territory held by the Khmer Rouge if the guerrillas failed to surrender the land peacefully.

"If peaceful means are exhausted there will be a police operation," King Sihanouk said. "I don't say civil war because the Khmer Rouge army is so weak."

He said that the Khmer Rouge, which controls about 20 percent of the country with about 10,000 hard-core fighters, had lost about 3,000 guerrillas in recent months. He said the Khmer Rouge had been "abandoned by the people."

The king made the comments at a press conference in Chbar Morn, about 60 kilometers west of Phnom Penh, after presenting some 500 villagers with rice, noodles, blankets and scarves.

The Khmer Rouge has said it will turn over its territory and troops if some of its leaders are made advisers to the new government.

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STATESIDE / A SOLDIER'S SWAN SONG



Two journalists picketing outside the N.Y. Post's offices.

N.Y. Post Near Demise As Murdoch Pulls Out

By Steven Lee Myers

New York Times Service
NEW YORK — The New York Post teetered on the edge of extinction Wednesday, failing to publish for a second day as its erstwhile savior, Rupert Murdoch, stood by his decision to pull out of an agreement to buy the tabloid.

The shutdown of the newspaper was precipitated when the journalists union, the Newspaper Guild, went on strike Monday night and production workers refused to cross the guild's picket line despite the pledge of their leaders not to support a strike. The support for the guild was a surprising development given the history of disunity among the newspaper unions in New York City.

The production unions met Tuesday and appealed to the Newspaper Guild to go back to work and to Mr. Murdoch to reopen the newspaper, but by Tuesday night, with the presses eerily silent, the newspaper failed to publish its Wednesday issue.

While the unions expressed hope that Mr. Murdoch's abrupt withdrawal was merely a bargaining ploy, a spokesman for Mr. Murdoch and his company, News Corp., said the decision — which could sound the Post's death knell — was final.

The newspaper's headquarters in lower Manhattan remained closed Tuesday, with management shutting down the newsroom computer system and turning away deliveries of newsprint. Outside, striking reporters and other workers walked the picket line, some of them glum, others still hopeful.

If Mr. Murdoch's decision stands, the responsibility for the Post would return to the bankrupt interests of Peter S. Kalikow, who took over the paper from Mr. Murdoch in 1988. Mr. Kalikow, however, has said he has no desire to try to revive the paper from bankruptcy, leaving the paper's fate in the hands of its creditors, who could sell it or liquidate its assets.

"I think it's the demise of the Post as a newspaper," said Howard Scife, the lawyer for the creditors. "We know of no other alternative at this moment. No one else has stepped forward."

Mr. Scife said he would recommend to the paper's creditors that they go before the bankruptcy court to try to force Mr. Murdoch to resume his purchase, though he acknowledged that remained a long shot. "He has signed a contract to buy the newspaper," Mr. Scife said. "And we intend to force him to do it."

Away From Politics

• A jury of eight men and four women was selected in New York for the trial of four Muslim fundamentalists accused of the bombing of the World Trade Center. Opening statements could begin as early as Thursday. The identities of the jurors — all of whom described themselves as Christians or said they did not practice a religion — are being kept secret for reasons of security.

• Postal officials say that "unscrupulous" businesses have discovered how to rig postage meter machines and may have cheated the U.S. Postal Service out of more than \$100 million in postage this year. Postmaster General Marvin T. Runyon Jr., dishing out what he called "a growing problem," offered a \$50,000 reward for information leading to arrest and conviction of anyone altering one of the 1.4 million meter machines now in service. The reward is five times greater than the usual postal fraud reward, which a spokesman said was a measure of how serious the problem is.

• A Planned Parenthood office in Lancaster, Pennsylvania, was firebombed, destroying an office, examining rooms and equipment, the police said. No injuries were reported. The police said they had no suspects, but "there are leads."

• Demonstrators will be allowed to march outside John Demjanjuk's house but must schedule their protests with the police in advance so that opposing factions do not meet on the street. A Common Pleas judge, Daniel Gaul, issued the order, which embodies an agreement worked out by the American Civil Liberties Union, representing anti-Demjanjuk demonstrators, and the prosecutor for the Cleveland suburb of Seven Hills. Jewish groups and the Ku Klux Klan have demonstrated outside Mr. Demjanjuk's empty home since his return from Israel, where he was convicted and later acquitted of being the Nazi death camp guard known as Ivan the Terrible.

• In a case that could determine who controls the television signals beamed into most American households, the Supreme Court said it would rule on whether the First Amendment forbids the government from determining what channels a cable company must carry. At issue is the 1992 Cable TV Act in which Congress generally required local cable operators to carry the signals of all the broadcast stations in their area. The law was passed in response to consumers' anger over rising rates and spotty service.

• Almost 1,000 poor black and Hispanic families will be offered apartments in predominantly white middle-class areas of Westchester County, just north of New York City, under a settlement of a lawsuit reached in federal court. The 17 black and Hispanic families who brought the suit two years ago contended that they were only able to obtain apartments with subsidized rents in shabby, crime-ridden neighborhoods of Yonkers that were largely black and Hispanic.

AP, WP, LAT, NYT

Powell's Teasing Farewell General Is Expected to Enter Political Arena

By Steven A. Holmes

New York Times Service

WASHINGTON — In an appearance as filled with political expectations as military musings, General Colin L. Powell has made his last speech as chairman of the Joint Chiefs of Staff, calling for the United States to maintain leadership in the confusing world.

"The debates that we're seeing now about unilateralism or multilateralism and the other 'isms' are somewhat silly and they miss the point," he said. "The point is that history and destiny have made America the leader of the world that would be free. And the world that would be free is looking to us for inspiration."

General Powell, a self-described reluctant warrior, said committing American troops is never a decision to be taken lightly. "We are not committing mercenaries," he said Tuesday. "We are committing sons and daughters."

At midnight Thursday, he steps down as America's highest-ranking uniformed military officer. Not since MacArthur or Eisenhower has a soldier's retirement drawn as much political speculation.

The fact that he steadfastly refuses, as he did again Tuesday, to say whether he will enter politics, or even run for president, only fuels the speculation. The fact that he has an approval rating of more than 60 percent in some polls, that he worked mainly for Republican

presidents and that he declines to disclose his political affiliation only adds to his mystery, if not his allure.

"Does he plan a career in politics? Is he a Republican or Democrat? Is it true that the doorbell at his house chimes 'Hail to the Chief?'" asked Clayton Boyce, president of the National Press Club, as he introduced the general to a luncheon audience.

Sitting next to Mr. Boyce, General Powell merely smiled. "The question comes up all the time, and I have been religious with respect to the answer to that question," General Powell said when asked about the possibility of seeking elected office. "Active-duty military officers have no business talking about partisan political matters. So nobody knows what party I belong to or don't belong to or may belong to. This is the way it should be."

Then, as if to tease his followers further, the general said: "After I retire" and "have had a chance to collect my wits and thoughts, as I

have said on more than one occasion, I hope to do something that is in service to the nation in some capacity. Whether that's political or not remains to be seen."

On Tuesday, he sounded more like a candidate than a departing general. He mixed in thoughts of the role of the military with those of the United States and the United Nations, with sentimental reflections on his life as a soldier.

"I've been a soldier all my life," he said. "I've never wanted to be anything else. I have loved every single minute of it, and I thank the nation for having given me the opportunity to serve in the proud armed forces of the United States."

But as has been both his habit and a main reason for his being held in such high regard, he was able to steer clear of the floating mines of domestic politics such as taxes, affirmative action, health care and abortion. The only time he strayed was when he was asked about the role of women in the military.

He said he was against having women in ground combat, armor and some artillery and cavalry units. "Because of the close nature of those operations and the kind of bonding you need in units of that kind," he said, "they really have to be all male, in my judgment."

That remark was greeted with silence, except for one man who applauded. General Powell hid up his hand. "Don't get me in any more trouble than I'm in, please."

★ POLITICAL NOTES ★

Hillary Clinton's 2d Day Selling Health Plan

WASHINGTON — Hillary Rodham Clinton told senators Wednesday that the Clinton health plan would make Americans workers more secure and more productive and would ease families' fears that "the future is closing in on them."

"We will be able to look every American in the eye and say that they are guaranteed health security," the first lady said on her second day of a sales campaign for the sweeping proposal to shake up the \$900 billion health system.

The plan picked up an early endorsement from a moderate Republican, Senator James M. Jeffords of Vermont, one of several Republican senators the White House has been hoping to win to its side. Mr. Jeffords pledged "to do what I can to make this a bill my Republican colleagues can support."

But more conservative Republican senators on the Labor and Human Resources Committee expressed doubts about the Clinton proposal to guarantee coverage for all by shifting most Americans into new, state-based insurance-purchasing alliances.

Daniel R. Coats, Republican of Indiana, said he hoped he was not the "first dark cloud on the horizon," but he queried the assumption that government could be more efficient than the private sector.

Look at the difference between going to the post office and going to a UPS office, Mr. Coats pointed out.

Mrs. Clinton jotted down his concerns, then tried to rebut them one by one. She said that when it comes to health care, the private sector is not necessarily more efficient, noting the huge expense that insurers incur trying to pick healthy customers. (AP)

Senate Slightly Loosens Curb on Abortion

WASHINGTON — The Senate voted, 59 to 40, to defeat an attempt to lift all restrictions on federal funding of abortions for poor women, agreeing instead to a House-passed measure allowing funding in cases of rape and incest. The new language is marginally more permissive than previous incarnations of the Hyde amendment, which has limited federal funding of abortions. But it falls far short of the expectations of abortion-rights supporters after President Bill Clinton took office. (WP)

Quote / Unquote

Surgeon General Joycelyn Elders, advocating high taxes on alcohol: "Heavy drinkers become a public health problem, and the industry that created the problem needs to help pay for it." (WP)

Accident Rate In U.S. Drops Dramatically

The Associated Press

CHICAGO — Fewer Americans died in accidents last year than in any year since 1972, when the population was less than half what it is now, according to a report by the National Safety Council.

Accidents killed 83,000 Americans last year, 5 percent fewer than in 1991. They ranked as the fourth leading cause of death, after cancer, heart disease and stroke, according to the report. In 1992, 76,300 people died in accidents.

The U.S. rate of accidental deaths overall reached a low of 32.5 per 100,000 people in 1992. In 1972, by contrast, the rate was 69.4 deaths per 100,000 people. The population was 249 million in the 1990 U.S. census and 106 million in 1970.

The biggest reductions were in traffic and workplace deaths, said Alan Hoskin, the council's statistics manager and editor of the report, "Accident Facts."

Nearly half of last year's accident deaths — 40,300 people — occurred in traffic.

"What is amazing is that in 1961, there were 61 percent fewer vehicles and 67 percent fewer vehicle miles traveled, and less than half the number of drivers that we have now," Mr. Hoskin said.

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Styling, value, and operating comfort were some of the factors which led to Mazda's award in Germany.

NRMA's Best Cars for 1992

Australia's National Roads and Motorists' Association winner for best medium-sized car.

Great Austrian Automobile Award for 1992

Safety, fuel economy, value and styling were important factors in choosing this silver winner.

Car Of The Year, Denmark, 1993

A powerful motor, comfort and design were among the factors determining this year's winner.

Wheels Magazine's Car Of The Year, 1992

An Australian car magazine bestowed this title upon both the four- and six-cylinder versions as well as the sedan and hatchback styles.

Car Of The Year, Venezuela, 1993

The National Speed Commission of Venezuela chose the 626 for its styling, safety, and high-speed stability.

Best Buys of 1992

The Australian Royal Automobile Club of Victoria magazine editors chose Mazda's 626 as the best value in the mid-size category.

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A Shift in Foreign Policy

Lowering the Profile

With the president's United Nations speech, the Clinton administration completes a new statement of its foreign policy...

American policy, tried to show critics on the right that he is not reflexively a multilateralist or content to put U.S. forces under the control of others...

In Somalia, Mr. Clinton, confessing that he had misread Somali politics, is lowering the American military profile and moving to a political track...

About Peacekeeping

Bill Clinton raised most of the right questions about peacekeeping in his speech on Monday at the United Nations...

struck a deal with Congress. White House aides say Mr. Clinton also supports former President George Bush's commitment to pay another \$400 million owed for general dues...

That Biosphere Project

The four men and four women who lived to a huge greenhouse known as Biosphere 2 for two years finally emerged last weekend with a stronger claim to fame as a tourist attraction than as contributors to scientific knowledge...

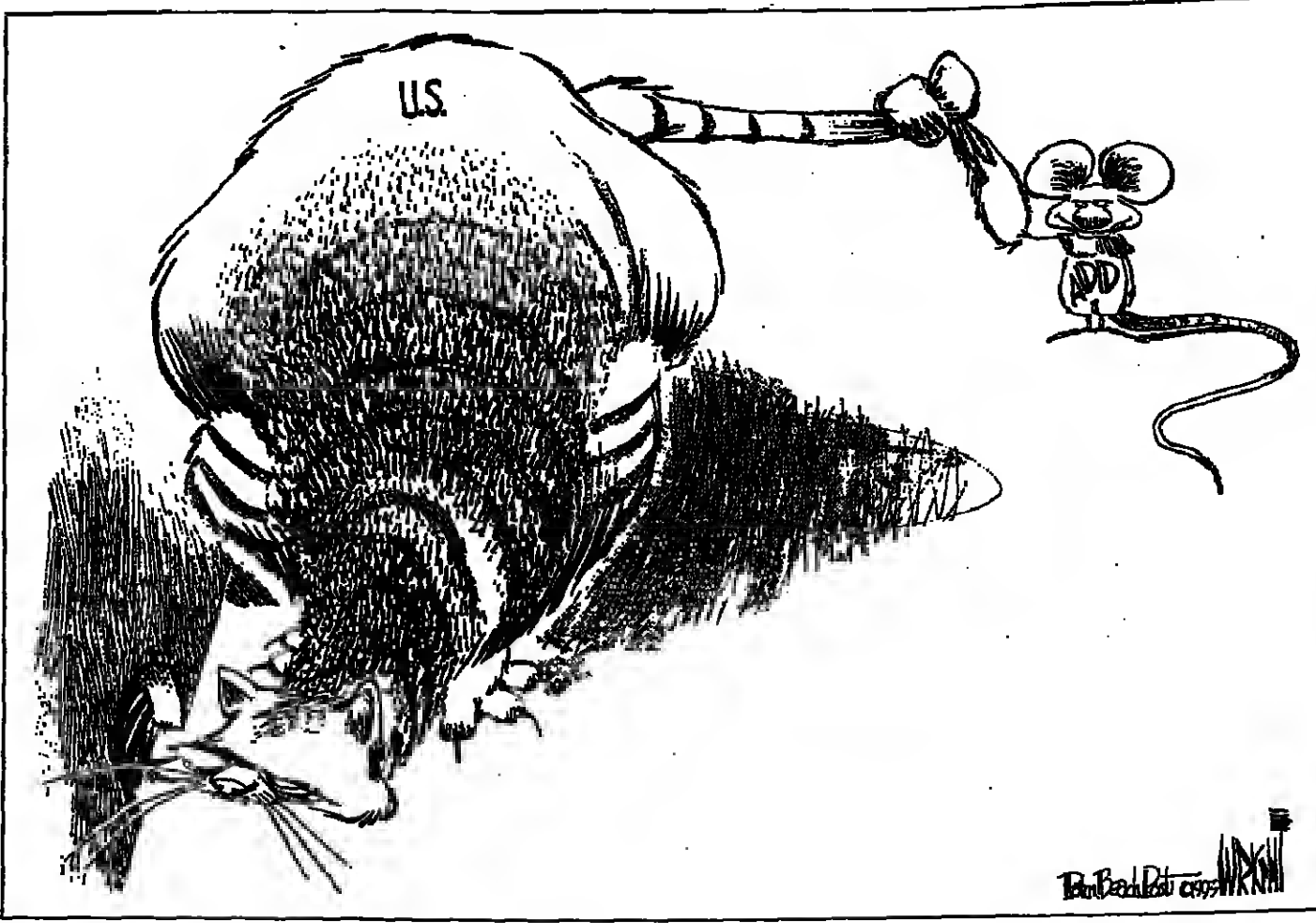
All that was understandable. Who hasn't gone camping only to realize in horror that the flashlight or matches were left at home...

Other Comment

Smudges of Foreign Policy

If it was President Bill Clinton's purpose (in his address to the United Nations on Monday) to offer a vision of American foreign policy during his White House watch...

the United States intends "to lead" in international affairs, he made a strong case that "domestic renewal" in industrial nations with weak economies is necessary...



Going Easy On Japan - For Now

By Hobart Rowen

WASHINGTON — The new coalition government of Japan is "like oil and water," and cannot last more than a year or two, scoffs a former top-ranking bureaucrat who served the Liberal Democratic Party...

Take the big split in the coalition on taxes: the Socialist Party, an important coalition element, opposes any rise in consumption taxes. Yet some taxes on consumer goods would have to rise as a part of reforms designed to lower income tax rates...

Treasury Secretary Lloyd Bentsen reiterated the U.S. belief that Japan must do better, though he wasn't heavy-handed about it in public.

The bottom line: The coalition government under Mr. Hosokawa for the moment looks little different to its trading partners in America and Japan from the old Liberal Democratic government...

Essentially, when it became clear in July that the LDP would soon be out of office, Mr. Clinton set aside his "results-oriented" trade demands and settled for bilateral "framework" talks...

Mideast: Get Together and Make the Desert Boom

By Bernard Avishai

BOSTON — Almost from the moment Yitzhak Rabin and Yasser Arafat shook hands, Middle East watchers have warned of the obstacles to a two-state solution. Their skepticism is justified. It is also beside the point. Israel is on the verge of a new prosperity...

incubate successful high-tech spin-offs, and they did: Israeli makers of computers, telecommunications, drugs, machine tools and so on export high-quality, well-priced products into expanding global markets.

— can be made profitably in Israel. It can be produced all the more profitably since Israel enjoys free trade with the United States and the European Community.

incubate successful high-tech spin-offs, and they did: Israeli makers of computers, telecommunications, drugs, machine tools and so on export high-quality, well-priced products into expanding global markets.

The writer, a business consultant and former editor at Harvard Business Review, is the author of "A New Israel." He contributed this comment to The New York Times.

The Flap Over Films and TV Is a Silly Argument

By Roy Denman

BRUSSELS — A rather silly argument has been added to the serious disputes between the European Community and the United States on the trade front. This is the spat about film and television exports from the United States.

well. The lines outside the cinemas of the 1940s are now the watchers before the television screen. Not only that. In the United States-Canada Free Trade Agreement of 1989, the United States specifically accepted not only that cultural products should not be placed on the same footing as general merchandise, but beyond that agreeing to respect very strict quotas on U.S. audiovisual products in Canada.

sensibly apply. Protection can mean consumers having to pay more for doorknobs or cotton underwear. Protection for the British film industry in the 1930s meant that a cultural product which reinforced national identity was able to develop and entertain millions. French film production is as valuable today.

France: The Stopgap Leader Is Stealing the Show

By William Pfaff

PARIS — An interesting thing has taken place in France in the past six months. A prime minister has transformed the national scene, and his own fortunes, by speaking intelligently about the country's problems and telling the people that they must not expect too much.

official in the 1960s, then left government for industry, returning only when he was asked to become finance minister in the conservative government of 1986-1988.

Mr. Chirac's distress is evident and the source of much malicious amusement in Paris. He has already failed once to be elected president, in 1988. He is looked upon as an energetic and capable executive, an excellent mayor of Paris, but a somewhat erratic man, lacking in judgment.

concessions to the United States on trade issues. One day this may lead into a fiasco. But he has also displayed an ability to compromise while seeming uncompromised — a fair comment, I think, on what happened during the summer's French franc crisis. It is a formidable quality in a politician. Washington should not underestimate him.

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OPINION

After Health Care, a Larger Debate

WASHINGTON — I don't mean to depress anybody, but the gigantic health care argument we are about to have in America is only the first round of a much larger debate.

By E. J. Dionne Jr.

want government to do little or nothing in this area are running out of evidence for the notion that the problem will be taken care of by the "private sector."

In fact, rising health costs are forcing many private employers who have provided health insurance to drop or reduce coverage. Fears over losing health insurance are making the free market in labor a lot less free and flexible.

Most Republican critics of the Clinton plan acknowledge that government has to do something. Many Republicans propose tax credits to individuals to help them buy health insurance, paid for by limiting the tax deductibility of employer-paid health premiums.

Many Republicans want to require individuals to buy health insurance, on the reasonable theory that when the uninsured get to the emergency room and cannot pay, they are free riders on those who do have insurance.

Republicans willing to do big things to solve a large problem deserve credit, not criticism. But their stance shows how the political universe is changing.

Simply shouting "less government" doesn't do on the health care issue. Senator Bill Bradley thinks this will be true of other issues.

But in order to get to that destination, he said in an interview, "we have a tremendous unknown terrain to cross... If you see that where we're headed is better than where we are, and if you see there's much human suffering on our way there, what do you do? You relieve the suffering."

Beyond getting the federal government's fiscal house in order, Mr. Bradley's "security platform" comprises three major planks: universal health care, pension security and "lifetime educational opportunity."

He argues that the pension issue is the health care issue of the future. With individuals shifting jobs so much, the old rule involving 30 years of loyal service to one company followed by a dignified retirement is fast becoming obsolete.

As for allowing people to shift jobs and careers when they need to, Mr. Bradley is arguing that displaced workers should get not just a shot at retraining but also opportunities to go back to school to point themselves along more promising career paths.

Ultimately, the outcome of this debate will be determined in large part by whether it is carried out on the terrain laid out by the conservatives or on the new ground chosen by Mr. Clinton and Mr. Bradley.

The first returns from the health care battle — admittedly, very early returns — suggest that Mr. Clinton and Mr. Bradley are winning.

The Washington Post.



Sweaters in the Summer, With No Relief in Sight

By Robert E. Machol

WASHINGTON — The horror stories about government buying practices are convincing. I, like any other civil servant, know dozens of them.

MEANWHILE it was against the rules. Months later I was reimbursed only after promising never to do it again.

Vice President Al Gore would like to cure this problem. But it is not going to happen, because he has not changed the system.

If I write a requirement that is stupid and costs a lot of money to implement and does no good at all, I don't get in trouble. But if I write a sensible, concise one that omits some highly improbable contingencies, and one ushary happens to fall and shatter and causes an injury due to flying glass, I get in deep trouble.

If I'm a supervisor who approves that requirement, my career progresses nicely. But if I make waves about simplification I get the reputation of a troublemaker.

Many horror stories are based on following some apparently silly rule. But the rule is not really silly. There was a reason for it when it was put in place.

Granted, the examples here are trivial. But they are not always trivial. My agency put out a Request for Proposal for a system that would cost hundreds of millions of dollars.

Mr. Gore, every day, all summer, I wear sweaters in my air-conditioned government office.

Everybody knew that that contractor could not complete the development for the quoted price, but the phrase "I saved the government money by choosing the low bidder" can be effective.

Several years and many millions of dollars later the contract was terminated, amid litigation — with nothing useful having been delivered and our desperate need for that equipment unmet.

I can answer that last question. Nothing. Somehow you have to change the motivational rules. Unless people are given incentives to behave differently, the changes will only be cosmetic.

The writer, an emeritus professor of systems at Northwestern University's Kellogg Graduate School of Management, is working at a federal agency. He contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

A Historic Agreement

The agreement signed by Israel and the Palestine Liberation Organization in Washington fully merits the overworked epithet "historic," because it is the first time that both sides, at the same time, have accepted the principle of partition as the basis for the settlement of their century-old conflict.

The logic of partition is compelling. Since there are two peoples and only one land, partition is the only fair and sensible solution. Partition was proposed by the Peel Commission in 1937 and again by the United Nations in 1947; the Palestinians turned it down both times.

By the time the Palestine National Council endorsed the principle of partition and a two-state solution in 1988, Israel, under a Likud government, rejected the idea. That both sides now accept the idea would seem to support Abba Eban's observation that people are capable of acting rationally when they have exhausted all other alternatives.

To be sure, the "declaration of principles" for limited self-rule in Gaza and the West Bank town of Jericho for an interim period of five years falls far short of the demand for an independent Palestinian state.

interim period of five years falls far short of the demand for an independent Palestinian state. But big things sometimes have modest beginnings.

are themselves. Let us hope, for the sake of everybody in the Middle East, that the future will refute their argument.

Muslim Fundamentalism Regarding "Another Despotism Creeds Seeks to Infiltrate the West" (Opinion, Sept. 9) by Clare Hollingworth.

The so-called militant fundamentalist Muslim groups are popular anti-government movements in countries with oppressive and unrepresentative governments like Egypt and Algeria.

The Risks for Israel Regarding "Israel Will Be Gambling on a Miracle in Palestine" by George F. Will and "An Enormous Risk for Israel" by Charles Krauthammer (Opinion, Sept. 9): It is hard to believe that Messrs. Will and Krauthammer are more concerned about Israel's security than the Israelis

are themselves. Let us hope, for the sake of everybody in the Middle East, that the future will refute their argument.

Slow Death for Bosnia The Serbs have achieved their goal of creating a Greater Serbia by "ethnic cleansing." The Croats did the same for a Greater Croatia.

Western countries say they want to stop the conflict. But all they do is wait and watch the Bosnians die.

And, yes, there are groups of politically motivated people preaching violence in the name of religion, whether in Waco, Texas, or some other (Muslim) place that your writer should like to point to.

And, yes, there are groups of politically motivated people preaching violence in the name of religion, whether in Waco, Texas, or some other (Muslim) place that your writer should like to point to.

BOOKS

ONLY WORDS

By Catharine A. MacKinnon. 162 pages. \$14.95. Harvard.

Reviewed by Jonathan Yardley

THE telegenic Catharine A. MacKinnon, who professes law at the University of Michigan, in recent years has become the most celebrated if not notorious advocate of the notion that speech and action are interchangeable.

These three interconnected essays presumably are to be taken as the manifesto of the new alliance against obscenity, one whose members include radical feminists, free-speech relativists and academic Marxists.

There can be no doubt about the pervasiveness of pornography in contemporary society, MacKinnon and company may be wrong about how to attack the problem — in my judgment they are very wrong indeed — but they are entirely correct that the free-speech defense of obscenity has led to abuses that scarcely any of those who rose to its defense could have anticipated.

MacKinnon is willing to exchange free speech for freedom from pornography. Though doubtless she would object to this characterization of her views, a reading of "Only Words" can lead to only one conclusion: that MacKinnon is so obsessed with pornography that she is ready to revise if not expunge the First Amendment in order to eliminate it.

The objection MacKinnon presumably would raise is that her position is no threat to the First Amendment because pornography is not a free-speech issue.

WHAT THEY'RE READING

Kurt Kasch, member of the board of directors of the Deutsche Bank in Berlin, is currently reading "Goodbye, Germany," a book by German by British correspondent Jonathan Carr.

"I am enjoying this book, because it recounts the author's long-time observations of Germany and the Germans."

(Michael Kallenbach, IHT)



she defines as "graphic sexually explicit materials that subordinate women through pictures or words," is indistinguishable from actual acts of physical violence.

This is "unrecognized by law" because it is preposterous, but that scarcely deters MacKinnon in her rush to construct her own legalistic scaffolding.

The hatred of men that courses through this book is nothing short of astonishing, expressed as it is in sweeping generalizations about "what men think of women, what men want to do to women, where women belong" and "the male rape fantasy."

MacKinnon cherishes nothing so much as fantasies of conspiracy and persecution. Inevitably, apparently, of seeing men as individuals, she lumps them together in one vast oppressive behemoth controlled by its insatiable appetite for pornography.

have their pornography," as though all men are equally afflicted by the urge to dominate women, to exploit and abuse women, and ultimately to "snuff," or murder, women.

What MacKinnon offers is not a coherent anti-pornography program but a vast grab bag of grievances and hallucinations. In her zeal to create a utopian world she is as blind to reality as she is to legal and constitutional niceties.

"Only Words" is a dangerous, paranoid book. Its prose may be muddy and humorless, and its fuzzy thought may masquerade as dense legalese, but about one thing it is absolutely clear: Individual rights must be subordinated to the larger interests of society — or, more particularly, the larger interests of society as defined by Catharine MacKinnon and others of her persuasion.

Jonathan Yardley is on the staff of the Washington Post.

BRIDGE

By Alan Truscott

AFTER an opening one no-trump bid, standard methods do not provide a reliable way for locating a minor-suit slam based on a 4-4 fit.

An American idea, for responding hands that clearly justify a slam venture, is to leap dramatically to the six-level in a four-card suit. The diagrammed example was reported by Claire Tornay from a duplicate game at Honors Club, 42 East 74th Street, Manhattan and she sat West.

South was Michael Camp, and his six-club bid asked North to pass if, and only if, he held four clubs. He did, and he did. Otherwise the partnership would have moved on, with six no-trump the port of last resort.

A heart was led, and South saw that he would have no trouble if he found a normal 3-2 club split. If clubs were 4-1, he would need an early spade ruff. He therefore won the first trick in his hand, saving the heart king as a later entry. He then cashed the K-Q of trumps and dummy's top spades.

A spade ruff followed, and South cashed the club jack and led to the heart king. If this had won the trick he would have drawn the missing trump and claimed the slam. But East ruffed and led the diamond jack.

South was now sure that East had begun with most of the missing diamonds, so he had good reason to hope that East had been endplayed. But after a low card from the closed hand West produced the king and the slam failed.

"A cruel hand," says Tornay, who points out that the greatly inferior contract of six no-trump would have succeeded.

NORTH (D)
AK4
K72
A972
WEST
Q9782
109863
K4
8
EAST
1083
4
J10862
10653
SOUTH
J5
AQJ5
A73
KQJ4

Neither side was vulnerable. The bidding: North East South West 1.N.T. Pass 6 Pass Pass Pass West led the heart ten

Advertisement for Turkish Airlines featuring a large image of a traditional Iznik jug. Text includes: 'A classic all round', 'In Turkey, we have a long tradition of completing round things beautifully. Like this Iznik jug dated 1850.', 'Today, whether you're flying from New York, London, Paris, Tokyo, Zurich or Frankfurt, Turkish Airlines provides the complete service and convenience of direct Istanbul round trips.', 'And in the comfort of our young fleet of A340's. We're confident you'll find our modern vessels as beautiful all round as our classics.'

سكزا من الأمل

A Stunned Israeli Army Plans for Pullout

By John Kifner
New York Times Service

JERUSALEM — The Israeli Army, as startled as anyone else by the sudden rush to peace in the Middle East, is beginning to plan how it will pull out of the territories of the West Bank and the Gaza Strip that it has occupied, patrolled and ruled for more than a quarter of a century.

But, like nearly everything else in the accord between Israel and the Palestine Liberation Organization, the details have yet to be worked out.

While the Israeli Defense Forces, whose generals grumbled that nobody told them about the secret negotiations in Norway, are talking of releasing thousands of Palestinian prisoners and completing a withdrawal next spring, their jeeps still rumble along the roads and soldiers staff checkpoints where Israelis with yellow license plates are waved past lines of Palestinians with blue plates.

Indeed, Israeli soldiers raided the northern West Bank village of Qabatyeh, near Jenin, early Wednesday, arresting the most wanted PLO activist, Ahmed Awad Ikmil, the commander of Fatah's Black Panthers, and four other members of the guerrilla group. Hundreds of Israeli soldiers surrounded the village on Wednesday morning, ordering a curfew, residents said, and much of Jenin was closed down by a general strike.

A protest to the Foreign Ministry was lodged

by Ahmed Tibi, a special advisor to the PLO chairman, Yasser Arafat, Israeli radio reported, and Palestinian leaders, angered because the arrest came after a cease-fire declared by the armed Fatah underground groups, met hurriedly in East Jerusalem.

"Fatah has now decided to stop using its arms against Israel, Israel must likewise stop using its arms for pursuing these soldiers and those people who were arrested must be treated as prisoners of war," said Sari Nusseibeh, a Palestinian leader.

A leader of a similar armed group in the Gaza Strip, the Fatah Hawks, warned earlier this week that he would "not hesitate to shoot" if Israeli soldiers tried to arrest underground activists.

The army works on two levels in the occupied territories, which tend to merge on the ground. One is what officially is called the Civil Administration, in effect a military government, responsible for everyday life with sections administering education, health, tourism, welfare and taxation. The second is the security forces, running not only patrols and roadblocks, but administering military law with courts, prisons, informers and such immediate punishments as blowing up the homes of those arrested.

The Civil Administration spokesman, Lieutenant Colonel Hanan Rubin, said some Israeli committees had been set up to study the transfer of powers, but there as yet no negotiations with any Palestinian counterparts. He said he

did not know what might happen to the administration's 19,000 employees, almost all of whom are Palestinian, but added that he hoped they would be able to keep their jobs.

The army has set up nine committees to study specific areas — Jericho, Gaza, coordination, organization, operations, intelligence, logistics, prisoners and infrastructure. They are to report to the Chief of Staff, Lieutenant General Ehud Barak, by Dec. 19.

In a recent tour of Jericho, General Barak said the main security precaution would be a new ring road enabling Israelis to bypass the city.

Indeed, the agreement seems likely to produce freshly paved superhighways snaking through the hills and valleys specifically mapped so that Arabs and Jews can avoid one another. Such roads have already been built to many Israeli settlements, and Palestinians are talking of a grandiose road, perhaps with tunnels, linking Jericho and the Gaza Strip. In the Gaza Strip, two electric fences are to be constructed around existing Israeli settlements.

The army's plans at the moment see a withdrawal from Jericho beginning in December and the completed withdrawal from Jericho and Gaza by April. Files of the Civil Administration are to be destroyed in June. In July, according to this timetable, there should be elections for autonomy in the West Bank and the end of the Civil Administration and the army's role.



CARRYING ON A TRADITION — An Orthodox Jew in Jerusalem with a bundle of crops to be used in an observance of Sukkoth, a harvest festival that began Wednesday at sundown. Temporary shelters are built to commemorate those used by the biblical Jews in the wilderness.

Bonn Voice On Judaism, Assails Kohl Protégé

Agence France-Press

BONN — The leader of Germany's Jewish community has accused Steffen Heitmann, Chancellor Helmut Kohl's choice for the German presidency, of making anti-Semitic remarks acceptable.

Ignatz Bubis, chairman of the central council of Jews in Germany, renewed his criticisms after a meeting with Mr. Heitmann to clarify the candidate's earlier remarks about the Holocaust.

Mr. Bubis said Wednesday in an interview with the Jewish weekly newspaper Allgemeine Jüdische Wochenzeitung that Mr. Heitmann, the justice minister in the former East German region of Saxony, had failed to retract an assertion that the murder of 6 million Jews in Nazi Germany should not condemn Germany to a specific role for the rest of time.

"A man like Heitmann would not have been allowed to say such things a few years ago," Mr. Bubis said. "A good many Germans will tell themselves — if the future president can think that way, then I as an ordinary citizen certainly can."

Mr. Heitmann, a 49-year-old member of Mr. Kohl's Christian Democratic Union, has also infuriated women's groups by expressing the view that women should stay at home.

His candidacy is opposed by the Free Democratic Party, the junior partner in Mr. Kohl's three-party coalition.

Firebomb Suspects Seized

The police have accused four teenagers of hurling a firebomb into a home for asylum seekers Tuesday night. The Associated Press reported from Cham, Germany. The gasoline-filled beer bottle exploded in the kitchen, but the fire was put out without injuries or major damage.

Three 19-year-olds and a 17-year-old were arrested a short time after the attack and made a partial confession, the police said.

"They aren't skinheads, but very normal young people," a police spokesman said.

Plane Hits House in Turkey

The Associated Press

ANTALYA, Turkey — A military reconnaissance plane crashed into a house in this Mediterranean coastal city on Wednesday, killing the pilot and seven people on the ground, the Anatolian News Agency reported.

Libya Hints at Deal on Pan Am Suspects

By William E. Schmidt
New York Times Service

LONDON — Hearing a Friday deadline to hand over the two suspects in the 1988 bombing of Pan Am Flight 103, or face the possibility of further UN economic sanctions, Libya said Wednesday that it would not object to the men's coming to Scotland to stand trial.

But in a brief statement released in Tripoli, and quoting an unidentified

Foreign Ministry source, the Libyan news agency JANA stopped short of saying the men would be handed over, arguing instead that the final decision to face trial in Scotland was up to the suspects.

"We do not oppose their standing trial under the Scottish legal system, and we urge them to accept that," the statement read, adding that the next step was that "the

suspects, their families and their lawyers be persuaded to stand trial under the Scottish legal system."

Until now, Libya has adamantly refused demands that it hand over the two men to British or American authorities, who issued arrest warrants in 1991 charging them with planting the explosives that blew up the Pan Am airliner over Lockerbie in Scotland four days before Christmas in 1988, killing 270.

A spokesman for the British Foreign Office said it welcomed the Libyan statement, but he said Britain so far had received no confirmation that the men would be surrendered to British officials.

In Edinburgh, Alistair Duff, the Scottish lawyer representing Abdel Basset Ali Megrahi and Lamen Khalifa Fhimah said it did not mean the two had decided to give themselves up.

PLO Economist Takes a Seat at the Table of Mideast Power Brokers

By Phil McCombs
Washington Post Service

WASHINGTON — He is old now, he says, 77 years old and prone to heart attacks. He has a white goatee and a twinkle in his eye, and he is wearing a slightly rumpled brown suit. He may be the only man in the room — which is filled with high-powered economists and international investment bankers, mostly in blue power suits — to be wearing brown.

Modest though he may appear, though, all eyes are on him.

Because Yusuf A. Sayigh, mild-mannered son of a Presbyterian minister, low-key economist who rose in his profession to lecture at Princeton and Harvard and

Oxford, is the senior economic adviser to the Palestine Liberation Organization.

He supervised the huge effort that has produced a 1,200-page, \$12 billion, seven-year economic plan for building a new nation in the West Bank and Gaza Strip. He was in Washington to sell the plan to the men with the money.

"Sewage," he was saying at the breakfast sponsored by International Media Partners and the London merchant bankers Singer & Friedlander Ltd. Sewage is important. Because sewer and water service are key to the infrastructure that must be quickly, hugely developed.

And "work opportunities" for the Palestinian people will result. "And once this gets underway, people will see the peace dividend," he said.

Also on his mind were schools, roads, currency and a "statistical base." As were trade, customs, technology transfers, jobs and bureaucrats who know what they are doing. These are the things that matter, he says, because when all is said and done you can have all the smiles and handshakes you want on the White House lawn but that is a one-shot deal. Sewage, on the other hand, is universal.

"Life is exhausting here," he said at the beginning of a breakfast consisting of a couple of chunks of melon and some toast. "Seven-thirty in the morning is so early! Well, one has to do it."

Mr. Sayigh was born in Palestine and educated at the American University in Beirut and Johns Hopkins University in Baltimore. He and his parents and five

brothers relocated in Lebanon after Israel was established in 1948, and he continued his academic career until 1974, when he retired and began serving as an economic adviser for groups including the Arab League and the PLO.

Seated directly to Mr. Sayigh's left at the breakfast was an old adversary, Jacob A. Frenkel, governor of the Bank of Israel.

"He canceled me in Rome," Mr. Sayigh whispered, amused. "He put a veto on my stay for the second session" of the economic talks between the parties in May. The Israelis and the Palestinians had been talking, but Mr. Sayigh, as a member of the PLO's parliament-in-exile, was a bit too much for the Israelis to swallow at that time.

Then Mr. Sayigh turned to Mr. Frenkel and mentioned it, lightly. "Well," replied Mr. Frenkel cheerfully, "the beauty of what we're doing now is we're moving forward."

After the breakfast, the IMF-World Bank annual meetings kicked off on Tuesday with a full session, but Mr. Sayigh did not bother to attend. Instead, he hunkered down with an intense clutch of Israeli, Arab and English financial journalists who were badgering him for details.

Customs checkpoints on the Jerusalem-Jericho road. Subsidies for agriculture? And what about housing for those returning from the diaspora? What about trained civil servants, of whom there are few if any in the territories now? What will be used for currency?

Mr. Sayigh did not have an answer for everything. He said he was for free trade and hoped there would not be customs checkpoints, but perhaps they would be necessary.

He said he hoped any subsidies would be short-lived. Maybe 30 or 60 civil servants could be borrowed from Jordan for a couple of years, he said.

And the Jordanian dinar could continue to be used, under some arrangement with the central bank in Amman.

And the journalists wanted to know if Mr. Sayigh himself would consider heading the interim economic authority for the emerging government.

"No," he said quietly. "I'm 77, this is a heavy load. Somebody much younger should do it."

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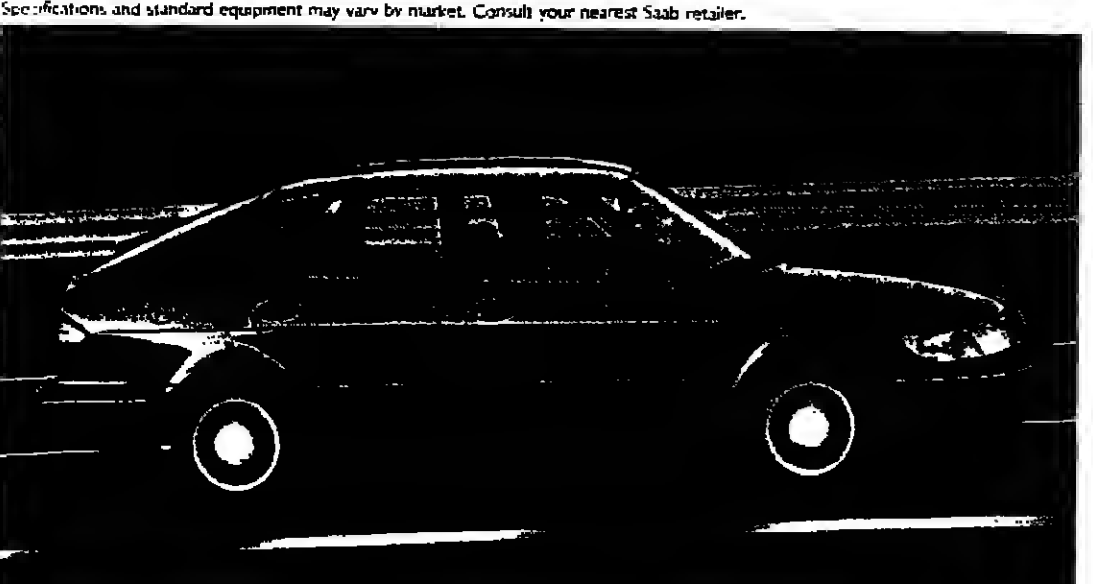
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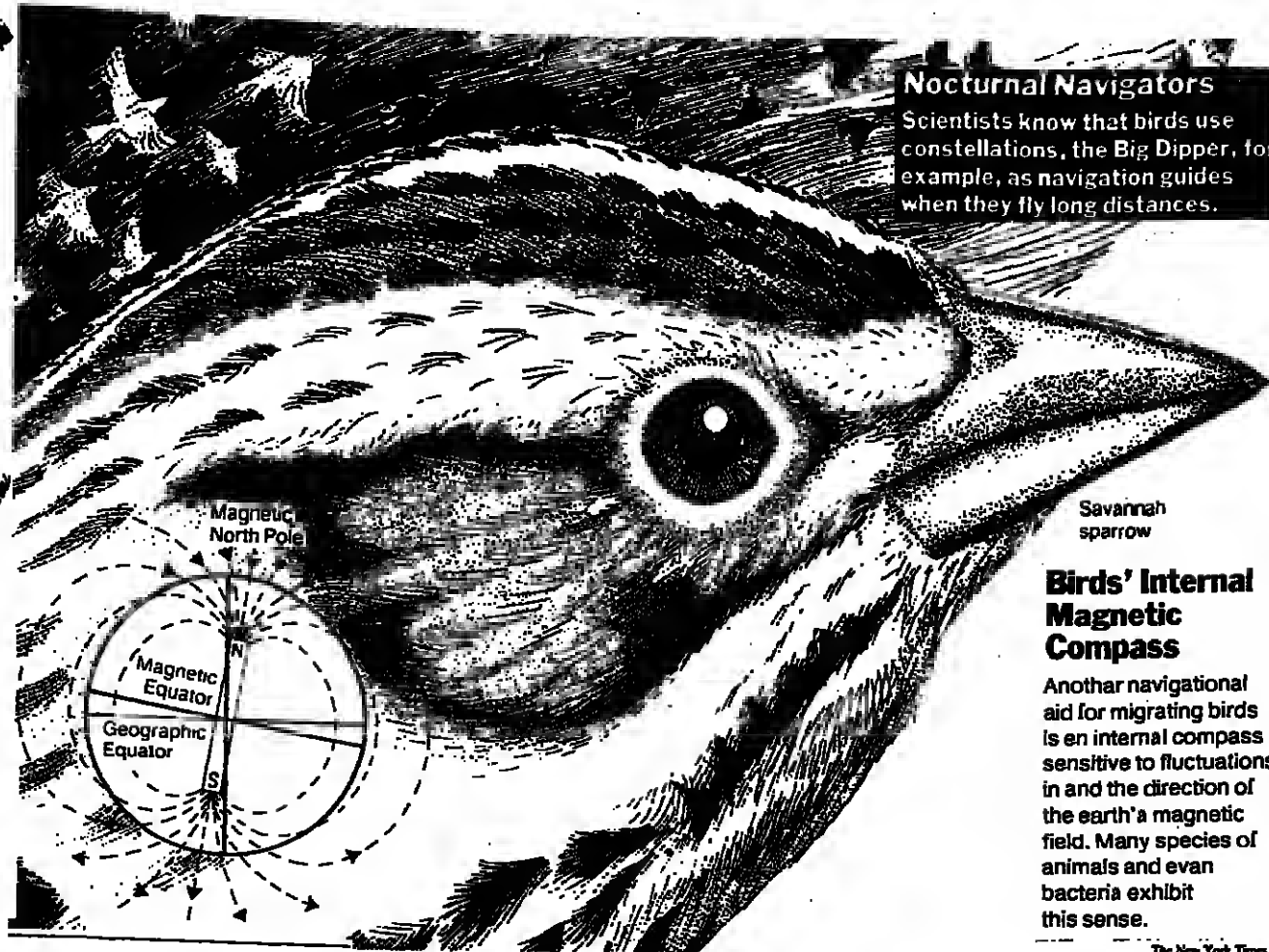
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HEALTH / SCIENCE



Nocturnal Navigators Scientists know that birds use constellations, the Big Dipper, for example, as navigation guides when they fly long distances.

Birds' Internal Magnetic Compass

Another navigational aid for migrating birds is an internal compass sensitive to fluctuations in and the direction of the earth's magnetic field. Many species of animals and even bacteria exhibit this sense.

Complex Cues Guide Birds

Aids Range From Polarized Light to Magnetic Fields

By Malcolm W. Browne New York Times Service

NEW YORK — Scientists have known for more than two decades that birds and many other animals navigate with help from Earth's magnetic field. It now appears, however, that birds must frequently calibrate their sense of magnetic direction using many nonmagnetic cues, including the natural polarization of daylight.

New research, moreover, suggests that in at least one species, the bird's eye detects Earth's magnetic field using the energy of daylight to sensitize a chemical in the retina to the earth's magnetic polarity.

The orienting skills of birds, amphibians, reptiles, fish and even mammals seem to depend on complex arrays of sensory cues, including magnetic fields, visual patterns, sounds and even smells, interacting in subtle ways. Some scientists say the latest investigations support their contention that magnetic fields have biological effects on human beings, as well, a suggestion that has been discounted by many physicists and physiologists.

Two recent papers in the British journal Nature imply that biological navigation systems are even more complex and subtle than many investigators had believed.

Dr. Kenneth P. Able and his wife, Mary A. Able, both of the State University of New York at Albany, presented experimental evidence that Savannah sparrows, which migrate between the Northeast United States and the Deep South or Mexico, not only see patterns of polarization in the daylight sky, but use the orientation of these patterns as a navigation aid for calibrating their magnetic directional sense.

Surprisingly, the birds are not influenced by the position of the sun, but by the directional polarization of sunlight scattered by the atmosphere — the "Rayleigh scattering" responsible for the blue color of the sky.

"Probably, these birds see a very dark polarized band in the sky 90 degrees from the sun," said Dr. James L. Gould, a biologist at Princeton University. "The tilt of this band, which is invisible to human eyes, would tell a bird the position of the sun and his orientation on Earth." The polarization would be visible to a bird only under a clear sky; an overcast sky would block it completely.

Many fish, including tuna and salmon, are also excellent navigators, but to use polarized light as an aid to calibrating their magnetic sense they would have to swim very close to the surface, because polarization is filtered out by water at depths greater than a few inches, Dr. Able said.

Although most human beings cannot see patterns of polarization in light with the naked eye, they can see them, including the polarized band seen by the Savannah sparrows, by holding up polarizing sunglasses or camera filters and observing the sky through them. "We have no idea at all how birds see polarization patterns in the scattered light of the blue sky," Dr. Able said, "but they do seem to sense it somehow."

The Ables conducted their experiments by keeping the Savannah sparrows in cages exposed to the sky. When the time came for the birds to migrate south, their restless movements were recorded on the paper floors of their cages, by their ink-smeared feet. The birds faced the direction in which they would migrate if they were free.

But in some of the tests, a large electromagnet surrounding a test cage was turned on to shift the magnetic field felt by the birds. The field was shifted 90 degrees, so that the artificial magnetic north imposed by the magnet would cause a compass needle in the cage to point to the west. In another variation, a transparent plastic sheet was placed over the cage to remove polarization from the daylight reaching the birds.

The Ables found that under the plastic depolarizing filter, a shift in the artificial magnetic field around the cage caused the birds to shift

their preferred direction correspondingly; they ignored the visible sky as a navigational guide and relied on the spurious magnetic cue. But when the depolarizing filter was removed so that the birds could see unfiltered daylight, they ignored the misleading magnetic field and oriented themselves instead toward true south, as indicated by the naturally polarized daylight.

BIRDS find their way not only in long-distance migration but also in relatively short-distance foraging. These two activities probably involve very different navigational skills, biologists believe. For migration, precision of direction is less important than taking advantage of the winds and flying as economically as possible to conserve strength over immense distances. For foraging, however, a pigeon or other bird must find its way to an exact spot 100 or so miles (160 kilometers) from its starting point.

"The jet stream carries charged ions through the atmosphere, and this causes rapid variations in the magnetic topology of the Earth," Dr. Gould said. "These variations can be large after magnetic storms on the sun, and they can cause birds a lot of trouble in finding their directions on long flights."

But birds are very good at knowing when they are home, he said, and they seem to fly in somewhat the way children navigate when playing the game, "You're getting warmer or colder."

In the other Nature paper, German and Australian scientists headed by Dr. Wolfgang Wiltschko of the University of Frankfurt am Main presented strong evidence that the migratory Australian silvereye birds with which they worked can probably see magnetic fields. This conclusion is based on a series of experiments demonstrating that the birds can easily orient themselves according to Earth's magnetic field when their cages are illuminated by white, green or blue light. But in red light, the birds lose their ability to sense magnetic fields, and orient themselves randomly.

'Outer Wall' of Troy Is Only a Ditch

By John Noble Wilford New York Times Service

NEW YORK — When archaeologists resumed excavations at ancient Troy during the summer, they expected to uncover remains of a thick wall that marked the outer limits of the city at the time of the legendary Trojan War in the 13th century B.C.

Discovery of the wall, which they thought they had detected the previous summer, would for the first time define the full size of the city, well beyond the inner citadel excavated in the 1870s.

Unless their geomagnetic survey was mistaken, archaeologists thought buried remnants of the wall would be found about 1,300 feet (400 meters) outside the central fortress and its palaces, where the wall presumably encompassed the much larger settlement of craftsmen, merchants and soldiers and sailors.

The archaeologists dug and dug in the area where the survey had indicated the presence of a thick clay wall, but could find no sign of it.

Instead, they found the next best thing: evidence of a wide ditch cut into the bedrock, almost certainly an obstacle against invaders.

Archaeologists said the trench probably served as the first line of defense on the city's southern perimeter. A high wall may have stood inside the line of the trench, they said, but its stones were long ago removed and reused.

Dr. Manfred Korfmann, an archaeologist at the University of Tübingen in Germany and director of the excavations, said the findings established that ancient Troy was indeed one of the largest known cities in the area of the Aegean Sea during the late Bronze Age.

The ruins dug up in the 1870s by Heinrich Schliemann, the gifted German amateur archaeologist, had always seemed too modest for a city of Troy's supposed wealth and power, as characterized in Homer's epic of the war between the Greeks and Trojans.

"When we didn't find a wall, we were disappointed at first," Dr. Korfmann said in a telephone interview last week. "We continued excavating, going deeper, and then we came upon this ditch. It's just as important, because it answers our questions about the city's actual size."

Dr. Korfmann said the excavated parts of the ditch were about 3 feet deep and 13 feet wide, presumably large enough to impede the movement of invaders with battering rams and other

instruments for breaching a city's gates and walls.

Further digging next summer should determine whether the ditch encompassed the entire city or only the south side.

The ditch was found just where the geomagnetic survey had indicated there was an underground anomaly, a change in soil density that archaeologists had interpreted as the possible remains of the city wall.

It was an understandable mistake. Since the ditch had become filled with tile and pottery fragments and other refuse, it would have produced magnetic readings similar to density variations caused by a buried wall.

Dr. C. Brian Rose, an archaeologist directing the University of Cincinnati's participation in the excavation, said that reconnaissance of the plain between the citadel and the outer trench has revealed considerable evidence of large numbers of people living there in the late Bronze Age. The area was also occupied in Roman times, when the city was called Ilium.

Dr. Rose's team, concentrating on the Roman history of Troy, reported finding a larger than life-sized marble statue of Emperor Hadrian, who ruled the Roman empire from about A.D. 117 to 138. The statue was found behind a stage in a Roman theater.

IN BRIEF

Regulating Growth Factor May Help in Healing Scars

LONDON (NYT) — Scars serve the salutary purpose of healing wounds, but they may also be ugly and in children may retard growth. Recent advances in cellular biology suggest that wounds caused by accidents or resulting from surgery might be made to heal without a trace.

For years scientists have puzzled over the remarkable ability of a fetus that has had surgery in the womb to emerge at birth scar-free. In humans, this occurs if the surgery is performed in the first five months after conception. After that time, scarring occurs as it would after birth, leaving what may turn out to be lifelong reminders of assaults on the body's soft armor.

Studying the molecular structure of wound repair in embryos, biologists at the University of Manchester in England have singled out a substance called transforming growth factor beta, which powerfully affects scar tissue formation. Working with mice, the scientists have demonstrated several ways to promote scar-free healing. The techniques involved are undergoing safety tests with the expectation that human trials will begin next year.

Dr. Mark W. J. Ferguson, chairman of the university's department of cell and structural biology. "With contemporary hygiene and care, the normal adult wound produces excess amounts of growth factors. Scarring is the response of this overdrive effect. If we turn off the overdrive we can get a far better quality of repair, and, surprisingly, not slow down healing."

Hurricane Watch: Alabama Could Be Ripe for a Big One

NEW YORK (NYT) — Using carbon-dated sediment from the bottom of a lake in Alabama, scientists have calculated that severe hurricanes strike the area every 600 years on average. That means the area may be overdue for another one.

Dr. Kam-biu Liu, an associate professor of geography and anthropology at Louisiana State University in Baton Rouge, said the research that he led showed that the Alabama coast was last hit directly by such a hurricane 770 years ago. The results of the study are reported in the Journal of Geology.

Dr. Liu estimated the recurrence of category four or five hurricanes, the two most severe types of hurricanes on a scale of one to five.

Gene Therapy Test Begins On Cystic Fibrosis Patients

LONDON (Reuters) — British scientists have begun a gene therapy trial on patients with cystic fibrosis that could improve treatment of the fatal disease, according to the journal Nature Genetics.

Doctors at the Royal Brompton Hospital in London began the trial last month using aerosol-borne genes packaged in fatty droplets called liposomes, the journal said. Dr. David Western of the Human Genetics Unit of Western General Hospital in Edinburgh and his colleagues conducted experiments with mice that led to the gene therapy trials in people. Dr. Porteous said there had been trials in the United States using viruses to deliver the genes but the British team believes the liposome method could offer a safe and effective alternative to the use of viruses.

Cystic fibrosis, which affects more than 50,000 people worldwide, is a disorder of the mucus-secreting glands of the lungs, pancreas, mouth and gastro-intestinal tract which can lead to lung disease. It is passed on when both parents are carriers of the gene.

Antibiotics Tested to Block HIV

By Gina Kolata New York Times Service

NEW YORK — A class of well-known antibiotics has unexpectedly been found to block a step that helps the AIDS virus reproduce, researchers report. But they caution that the antibiotics have not yet been tested in people, that they have dangerous side effects and that many candidate drugs that show promise in the laboratory fail in the clinic.

Nevertheless, the researchers believe that they may have found a new approach to designing drugs to fight HIV, the virus that causes AIDS.

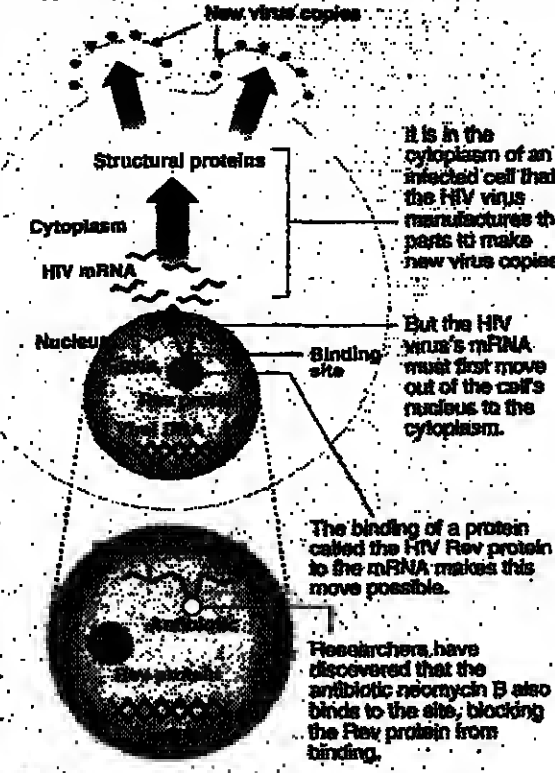
The drugs are the family of aminoglycosides, which kill bacteria by preventing them from making proteins. In a paper published in the journal Cell, Dr. Michael Green of the University of Massachusetts and his colleagues report that the drugs also adhere to RNA molecules of the AIDS virus and thwart viral infections in cultured white blood cells.

The most effective of these aminoglycosides is neomycin, which attaches itself to the viral RNA as if tailor-made for it. But, Dr. Green warned, neomycin itself is too toxic for patients. He said he hoped to devise chemical modifications that would be less toxic but still deadly to HIV.

Dr. Green cautioned that because neomycin could have serious side effects and because the experiments had only been conducted in the laboratory, people with AIDS should not treat themselves with the antibiotic. He said the research was at least two years away from even small studies in humans.

Derailing the HIV Virus

A new approach to fighting HIV in the test tube uses the antibiotic neomycin to intervene at an initial step in the complicated sequence of events that occur when the virus infects a cell.



Source: Dr. Michael Green

Debra Copeland/The New York Times

Dr. Martin Hirsch, director of AIDS research at Massachusetts General Hospital in Boston, echoed Dr. Green's warning. "Neomycin just is not going to be of clinical use for this indication," he said. "It is currently used only

for bowel cleaning prior to certain operations. It is very toxic; it is toxic to the kidneys. "The more important thing this paper does is to open a new avenue for investigation. Hopefully, Dr. Green or someone else

will find a drug with a similar structure that is less toxic and that might make it into clinical trials."

It is the first proposed AIDS drug that targets RNA, a large molecule that carries genetic messages within cells, he explained. All others have been designed to interfere with the tasks of viral proteins. Dr. Green said, "I don't think that this molecule will ultimately be the most effective or the drug of choice, but the exciting thing is that we have a lead compound."

Neomycin intervenes at an initial step in the complicated sequence of events that occur when HIV infects a cell. Then, like a derailed train, the virus crashes and cannot continue.

The virus needs a special AIDS protein, called Rev, to shepherd RNA copies of its genes out of the nucleus of an infected cell and into the cytoplasm. Every RNA copy of a gene has a little spot, called the Rev recognition element, where a Rev protein binds. Then the RNA, carrying its Rev protein on its back, slips through the membrane that envelops the nucleus and enters the cytoplasm.

Neomycin, it turns out, also sticks to the Rev recognition element, but when neomycin is bound there, the RNA molecules are stuck. They cannot pass into the cytoplasm, so they pile up in the nucleus, impotent and useless.

Dr. Green said he set out to attack Rev because he found it a tantalizing target. Since there is no counterpart of Rev in human cells, blocking it should not interfere with the cell's usual functions. And the virus seems to need large amounts of Rev, so even a partial intervention might prove deadly to HIV.

A Study Looks at Day Care and Leukemia

By Lawrence K. Altman New York Times Service

NEW YORK — Children who attended a day-care center for at least three months before the age of 2 were found to have a lower risk of developing childhood leukemia than children who were not placed in such an environment, according to a study in the British Medical Journal.

In the study of 136 children with childhood leukemia and a slightly larger number of healthy children, conducted in Greece, children who attended a day-care center before the age

of 2 had a 70 percent lower risk for childhood leukemia than children who had never been in day care. Children who had been in day care at any age had a 30 percent lower risk. The statistical association was "startlingly strong," the authors of the study said.

The study was conducted by Dr. Eleni Petridou of Athens and Dr. Dimitrios Trichopoulos, who heads the department of epidemiology at the Harvard School of Public Health in Boston.

Dr. Trichopoulos's findings strengthen a thesis advanced in recent years by scientists in England and Scotland that children exposed to an as yet undetected virus or other infectious agent very early in life may gain immunity to childhood leukemia. Childhood leukemia is the

most common cancer among children under the age of 15.

In developing the thesis, scientists have used poliomyelitis as a model. Poliomyelitis is a paralyzing form of an infection caused by a virus spread by fecal-oral contamination. In most cases, the polio virus causes widespread but symptomless infection. Cases of paralysis are rare, with the ratio of symptomless infection exceeding cases of paralysis by 100 to 1.

The older an individual is when infected with the polio virus, researchers have found, the more susceptible the individual is to the paralytic form of the disease. Dr. Trichopoulos's team theorized that childhood leukemia might similarly take a more severe form if the infection was contracted at a later age.

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NYSE

Wednesday's Closing

Tables include the Dow Jones Industrial Average and other major indices. Tables include the Dow Jones Industrial Average and other major indices. Tables include the Dow Jones Industrial Average and other major indices.

Symbol	High	Low	Open	Close	Change
IBM	115.25	114.75	115.00	115.00	+0.25
MSFT	45.25	44.75	45.00	45.00	+0.25
GE	35.25	34.75	35.00	35.00	+0.25
AMT	25.25	24.75	25.00	25.00	+0.25
INTL	15.25	14.75	15.00	15.00	+0.25
DIS	30.25	29.75	30.00	30.00	+0.25
WAL	20.25	19.75	20.00	20.00	+0.25
TRW	10.25	9.75	10.00	10.00	+0.25
BA	40.25	39.75	40.00	40.00	+0.25
GM	30.25	29.75	30.00	30.00	+0.25
AT&T	25.25	24.75	25.00	25.00	+0.25
SPY	100.25	99.75	100.00	100.00	+0.25

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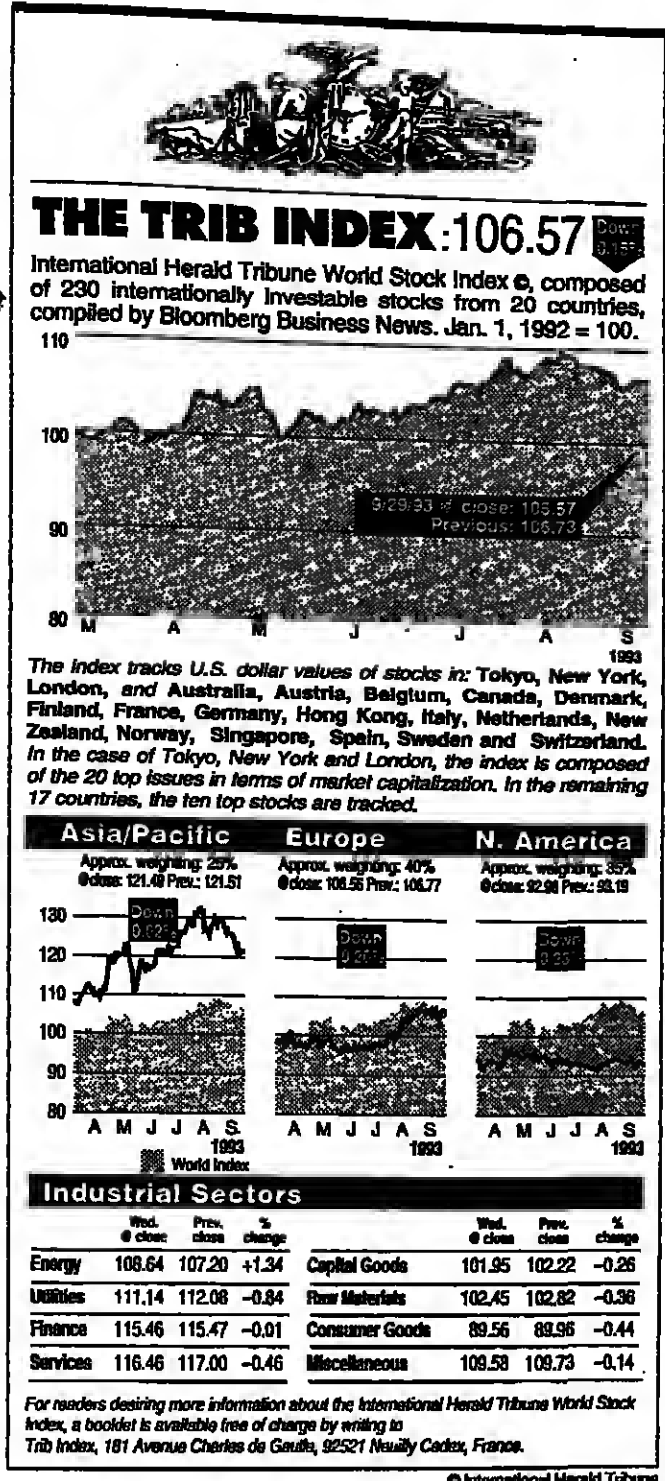
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BUSINESS

International Herald Tribune, Thursday, September 30, 1993



Investor May Help Viacom Raise Bid

NEW YORK — Blockbuster Entertainment Corp. said it would invest \$600 million in Viacom Inc., a transaction that would pave the way for Viacom to raise its bid for Paramount Communications Inc.

The move could allow for the formation of an even bigger media giant than Sumner Redstone, the Viacom chairman, envisioned when he made his bid for Paramount on Sept. 12.

Blockbuster, which is based in Fort Lauderdale, Florida, and operates a chain of video and music stores, said it would buy \$60 million of newly issued Viacom convertible preferred stock.

The synergy of a Viacom-Blockbuster hold-up is a natural, said Marvin Roffman of Roffman Miller Associates in Philadelphia, an investment firm whose largest portfolio position is in Paramount shares.

"Add in Paramount's holdings, and the synergies are even sweeter," Mr. Roffman said. "Whether he would raise his offer to include a competing offer by QVC, Blockbuster's investment would raise the amount of cash Viacom could offer for Paramount to \$1.4 billion, or \$70.50 a share, from about \$7.76 billion, or \$65 a share."

QVC, controlled by Comcast Corp. and Liberty Media Corp., a spinoff of Tele-Communications Inc., is offering about \$9.93 billion, or \$83 a share, in cash and stock for Paramount, based on QVC's current share price. QVC offer includes \$30 a share in cash.

"If Sumner Redstone thinks an extra \$5 a share will swing the ball into his court, he's wrong," Mr. Roffman said. "Blockbuster is a piece of the puzzle, and other pieces are going to snap in soon."

Viacom class A shares fell \$1 in trading Wednesday on the American Stock Exchange trading, closing at \$60. Blockbuster shares fell 25 cents, to \$29.00, and Paramount gained \$1.75 to \$79.50, both in New York Stock Exchange trading. (Bloomberg, Reuters)

Market Cool to Fiat Plan But Analysts Back Massive Cash Call

By Jacques Neher
International Herald Tribune

The drastic cash call by Fiat SpA, which firmly committed the company to its core automotive business at a time of growing trouble in that industry, was given a frigid reception Wednesday by the Italian stock market.

Shares of Italy's largest private company plunged more than 6 percent, and analysts warned that a further drop was likely.

The plan, which calls for creation of a core shareholder syndicate composed of several European financial and industrial giants, is expected to put the company under a more activist board for strategic matters. But analysts noted that Fiat will remain firmly within the grip of the Agnelli family.

Fiat's stock fell more than 7 percent at the opening in Milan but recovered somewhat to close at \$5.98 lire (\$3.54), compared with its close of 5,900 lire Tuesday afternoon—before the company announced a first-half loss of 966 billion lire and launched a cash call seeking 4.3 trillion lire through an offer of new shares and convertible warrants to current holders, plus an injection of capital by corporate allies.

"This rights issue is very hefty and very complicated, and the market is not very happy," said Francesca Lolli, analyst with Hoare Govett in London. "I don't see why people should stop selling their shares tomorrow."

But, she said, from a long-term perspective, the plan — intended to help fund Fiat's five-year, 47 trillion lire capital investment program — demonstrated Fiat's commitment to its core automotive business when other automakers have reduced their spending plans.

"This fall [in the stock price] is an expected emotional reaction," Massimo Gaggiotti, analyst with Sim Europa SpA, told Reuters. "But in the longer term, the operation is good for Fiat."

The capital-raising plan — the biggest ever for the Italian market — was generally well received by the Italian press Wednesday, though some newspapers noted that the Agnelli family, for the first time in Fiat's 87-year history, no longer would be able to claim sole control of the Turin-based company.

La Repubblica said control of Fiat would become more complex. "In a certain sense, the Agnelli family will have to divide power with four other new members," it said.

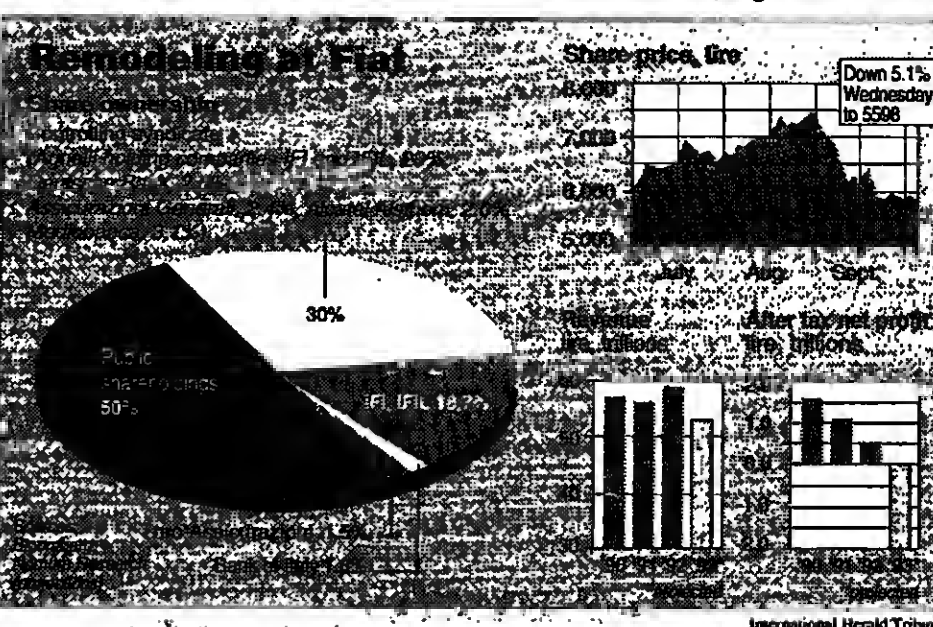
Under the recapitalization plan, the Italian merchant bank Mediobanca SpA plus Italy's biggest insurer, Generali SpA, the French telecommunications and transportation company Alcatel Alshom and Deutsche Bank AG would form a shareholder syndicate along with a portion of two Agnelli family holding companies, IRI and IFIL.

A Fiat spokesman, Ciriaco Ranieri, said the syndicate, which would have a 30 percent blocking minority, would bring in outside shareholder influence at the Fiat board level for the first time.

"Up to now, Fiat has had more of an advisory board than a proper board of directors representing real shareholders," Mr. Ranieri said. "Now, the board will act in a more businesslike manner."

However, Ms. Lolli of Hoare Govett doubted that a smaller board — 11 members instead of 15 — composed of outside shareholders would change much in the way Fiat is managed.

"The syndicate will contribute four out of the 11 seats on the board," she said.



SEAT's Chief Resigns As VW Slashes Costs

By Brandon Mitchener
International Herald Tribune

FRANKFURT — The chairman of Volkswagen AG's Spanish subsidiary, SEAT, is quitting the company on Thursday, VW said Wednesday in an announcement that also said the company's chief executive would be replaced by a new man.

The decision, which VW said was taken "by mutual agreement," followed the German company's rejection of restructuring plans presented Tuesday by Juan Antonio Diaz Alvarez, who will be succeeded by his deputy, Peter Waechter, until a replacement is found.

VW dismissed speculation that its controversial purchasing chief, the Spaniard José Ignacio López de Arriortúa, would be sent to Spain to bring SEAT back on road to profitability.

"While Mr. López is already deputy chairman of SEAT's supervisory board, he has a much larger task at the VW group level," said a Volkswagen spokesman, Ferdinand Wachs.

But Mr. Wachs did say that the next SEAT chairman would probably be a Spaniard.

Mr. Alvarez was unavailable for comment.

SEAT received the news from Wolfsburg only after Mr. Alvarez had already returned to Spain and expressed worry that it would now be forced to close one of its three factories in Spain in order to meet VW's demands for drastic savings.

"They didn't tell us to close a plant, they asked us to make them suggestions," said a SEAT spokeswoman. "But when they say several thousand people have to go, that effectively means we'd have to close a factory," she said. The Zona Franca factory, considered most likely to go, is located in Barcelona.

Spanish unions fear VW intends to shut the factory without any offer of new jobs for its 10,300 employees, nearly half of SEAT's total.

SEAT recently announced it needed a bailout of more than 1 billion Deutsche marks (\$613 million) this year to compensate for unexpected losses related to shifts in exchange rates.

The peseta has depreciated 30 percent against the German currency over the last 12 months, raising the cost of the parts SEAT imports from Germany dramatically. It has also been saddled by high investment costs.

VW recently announced a bailout of SEAT that included the purchase of its Pamplona factory and financial services business in return for a transfusion of 1.5 billion DM. But VW said that SEAT could not See SEAT, Page 16

Mercedes Puts Plant In Alabama

Bloomberg Business News

DETROIT — Mercedes-Benz said Wednesday it would build its first vehicle assembly plant in the United States near Tuscaloosa, Alabama.

The announcement ended months of speculation and intense bidding by numerous U.S. states to lure the German automaker through tax breaks and other incentives.

The \$300 million plant will be built on a 1,000-acre site in Vance, about 20 miles (30 kilometers) east of Tuscaloosa.

Mercedes, a unit of Daimler-Benz AG, announced plans in April to open an assembly plant in the United States by 1997 to build up to 60,000 four-wheel-drive vehicles a year.

The cost savings of building a vehicle in the United States instead of Germany would be about 30 percent, Helmut Werner, the chairman, has said. Much of savings is in labor. German auto workers earn about \$30 an hour, while U.S. auto workers earn about \$17 an hour, before benefits.

INTERNATIONAL MANAGER U.K. Women Trail Others In Promotion to Top Jobs

By Maggie Fox
Reuters

LONDON — Britain, a country headed by a queen and governed for 13 years by a woman prime minister known for her toughness, trails other Western nations when it comes to promoting women in management. Few British women have been able to break through barriers raised by the "old boys' network," a macho culture and general suspicion. But women cannot agree on how to fight this.

The Equal Opportunities Commission reported this month that women lagged in pay and promotion. A study last year by the Institute of Management found only 9 percent of managers and 3 percent of senior managers in British companies were women.

"The reason is men," said Trudy Coe of the institute. "It's male attitudes — so much of the workplace has been geared to a male management culture. It is that culture, rather than issues such as child care and so on, that leads to the lack of women at the top."

Britain's stratified society can lead to distrust between the sexes at an early age. The top public (meaning private) schools are still strictly segregated, and two-fifths of all public schools remain single-sex.

At Eton, the boys wear tail coats and black trousers, and the seniors additionally have wing collars and bow ties. Critics say this illustrates the old-fashioned attitudes ingrained in these future leaders.

In a survey of 800 male managers last year, the institute found only one-third strongly believed women had positive skills to offer. Many of the 1,500 female managers in the survey said they did not get enough respect or support from male colleagues.

Nearly 40 percent of the women managers who had left work temporarily to have children were given lower-ranking jobs when they returned.

"It's a lose-lose situation," Ms. Coe said. "If you act feminine, that's a barrier, but if you act like the former prime minister [Margaret Thatcher], you also lose, because men don't like women to act like men."

Fiona Fox of the Equal Opportunities Commission, set up to promote the employment of women and minorities, said the problem went deeper than male attitudes. "I don't think it is individual male prejudice that is keeping women at two-thirds of men's pay," she said.

See WOMEN, Page 16

OPEC Pact Boosts World Oil Prices

By Youssef M. Ibrahim
New York Times Service

GENEVA — After five days of talks, the Organization of Petroleum Exporting Countries announced Wednesday that it would limit the production of its 12 members to 24.5 million barrels a day over the next six months.

Kuwait and Iran scored significant increases in their individual share of OPEC's overall output, while Saudi Arabia, the world's largest producer and exporter of oil, agreed to freeze its production at current levels until April.

Even before it was announced, speculation over the accord boosted oil prices. Many oil industry experts had dubbed it a "credible" or "good" agreement.

In London, Brent crude oil prices for November delivery jumped 69 cents a barrel, to \$17.35. Later in New York, crude for November delivery on the New York Mercantile Exchange rose 71 cents, to \$18.67.

The agreement managed to co-opt demands for larger production by several countries, while securing a pledge by Saudi Arabia to retain its production at the present level of 8 million barrels a day.

"I think prices will rise by \$3 to \$4 a barrel," said an Arab OPEC delegate. The Iranian oil minister, Gholamreza Aghazadeh, said he expected oil prices, which now average about \$15 a barrel, to rise to \$18 or \$19 per barrel.

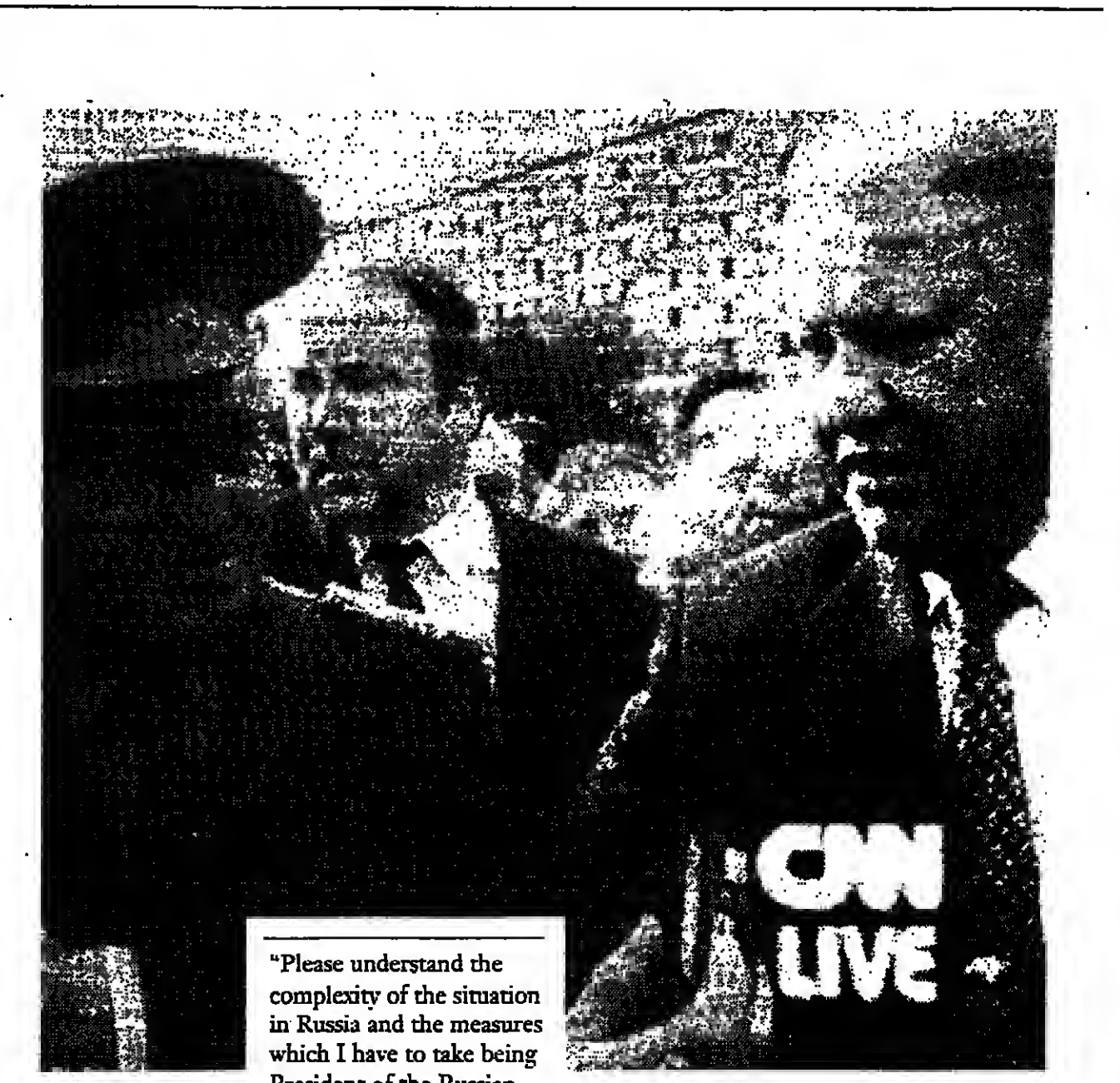
The agreement grants Kuwait a quota of 2 million barrels a day, an increase of 400,000 barrels a day above what it is allowed to pump now. Although Kuwait was not adhering to that ceiling, its agreement to rejoin the quota system boosts OPEC's chances of making this accord stick. Kuwait also reentered in its request for a higher ceiling of 2.2 million barrels.

Iran received a new quota of 3.6 million barrels a day. That is a significant increase from the previous Iranian quota of 3.3 million barrels, which Iran, also, did not observe.

With these two major violators of OPEC's rules pacified, the cartel was further supported by a pledge from Saudi Arabia to keep its huge production stable, a move that carries much weight in world oil markets.

The Saudis reiterated, as always, that they would be free to pump more oil if the new OPEC ceiling was not respected by all members. But there is little question that Saudi Arabia, as the other 11 members of OPEC, is in dire need of higher oil revenues, and therefore in favor of making this agreement work.

The largest reason for believing in the accord, however, remains the fact that 11 represents about all the oil OPEC can pump now, with the exception of Saudi Arabia, which can boost its output by at least one million barrels a day.



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Boris Yeltsin
Moscow
September 21, 1993

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CURRENCY & INTEREST RATES

Sept. 29

Cross Rates	Sept. 29
Australia	1.81 87.25
Canada	34.0 25.58
France	168.2 2.41
Germany	1.372 1.341
Italy	12.15 11.93
Japan	157.5 238.88
Netherlands	1.67 1.67
Spain	162.0 161.0
Switzerland	1.48 1.48
UK	1.53 1.53
US Dollar	1.00 1.00

Eurocurrency Deposits	Sept. 29
1 month	3 1/2 - 3 3/4
3 months	3 3/4 - 3 1/2
6 months	3 1/2 - 3 1/4
1 year	3 1/4 - 3 1/2

Key Money Rates	Sept. 29
3-month Treasury bill	7 1/2
6-month Treasury bill	7 1/2
1-year Treasury bill	7 1/2
3-month Treasury note	7 1/2
6-month Treasury note	7 1/2
1-year Treasury note	7 1/2
3-month commercial paper	7 1/2
6-month commercial paper	7 1/2
1-year commercial paper	7 1/2

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Netherlands	1.67 1.67
Spain	162.0 161.0
Switzerland	1.48 1.48
UK	1.53 1.53

History As It Happens.

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INTERNATIONAL
The World's News Leader.

MARKET DIARY

Shares Close Mixed, Dow Edges Higher

Compiled by Our Staff From Dispatches NEW YORK — Stock prices were mostly lower Wednesday, although the market's index of blue-chip shares pulled into positive territory just before the close.

The Dow Jones industrial average, which lost 1.68 points Tuesday, ended 0.28 higher, at 3,566.30, largely on the strength of Chevron, which was up 2 1/2 to 97.

In the broad market, declining issues beat out advances by a narrow margin on volume of more than 279 million shares on the New York Stock Exchange. The Nasdaq over-the-counter index was off 0.50, at 763.16, ending a string of four record-setting closings.

Treasury securities continued to lose ground, and a rise in long-term bond rates contributed to the drop in most stock indexes.

The 30-year Treasury bond was down 24/32, to 103 18/32, raising its yield to 5.99 percent from 5.94 percent.

Traders said bond prices lost ground after word spread that the Conference Board's help-wanted index had shown strength in the economy in August and after crude oil futures rose above \$18.50 a barrel on news that oil producers were

near an agreement on quotas. There also was speculation that a European money manager sold U.S. Treasuries and replaced them with British gilts.

Analysts said some stocks also were pressured by concern over third-quarter earnings results. They said confidence in earnings was shaken recently when Warner Lambert reported that its quarterly results would drop because of regulatory problems at its drug-making plants.

Other leading companies, such as Westinghouse Electric, Eastman Kodak and Tennessee, have warned that third-quarter earnings will fall short of previous expectations.

Marus Energy was the most-active issue on the New York Stock Exchange, up 1/4 at 8 1/4. A published report said it was expanding its Latin American exploration program.

Citigroup was up 1/8 to 38 1/2, second on the active list. John Reed, the chairman, said in Paris that 1994 profit would exceed an earlier estimate of \$1.5 billion.

NTT Communications led the American Stock Exchange, rising 1 1/2 to 10. It signed a deal to provide interactive television services to Capital Cities/ABC.

Intel was the most-active over-the-counter issue, rising 1/4 to 73 1/4. (UPI, Reuters, Bloomberg)



Vol. High Low Last Chg.

Table with columns: Vol., High, Low, Last, Chg. for various NYSE Most Active stocks like IBM, Microsoft, etc.

Vol. High Low Last Chg.

Table with columns: Vol., High, Low, Last, Chg. for various NYSE Most Active stocks like AT&T, General Electric, etc.

Advanced Declined Unchanged Total Issues New Highs New Lows

Table with columns: Class, Prev., for NYSE Diary.

Advanced Declined Unchanged Total Issues New Highs New Lows

Table with columns: Class, Prev., for Amex Diary.

Advanced Declined Unchanged Total Issues New Highs New Lows

Table with columns: Class, Prev., for NASDAQ Diary.

Dow Jones Averages

Table with columns: Index, High, Low, Last, Chg.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Last, Chg.

NYSE Indexes

Table with columns: Index, High, Low, Last, Chg.

NASDAQ Indexes

Table with columns: Index, High, Low, Last, Chg.

AMEX Stock Index

Table with columns: Index, High, Low, Last, Chg.

Dow Jones Bond Averages

Table with columns: Index, High, Low, Last, Chg.

Market Sales

Table with columns: Index, High, Low, Last, Chg.

N.Y.S.E. Odd-Lot Trading

Table with columns: Index, High, Low, Last, Chg.

S&P 100 Index Options

Table with columns: Index, High, Low, Last, Chg.

Amex Diary

Table with columns: Index, High, Low, Last, Chg.

NASDAQ Diary

Table with columns: Index, High, Low, Last, Chg.

EUROPEAN FUTURES

Table with columns: Index, High, Low, Last, Chg.

Food

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COFFEE (LCE)

Table with columns: Index, High, Low, Last, Chg.

COFFEE (LCE)

Table with columns: Index, High, Low, Last, Chg.

WHITE SUGAR (MEX)

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Metals

Table with columns: Index, High, Low, Last, Chg.

Financial

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MONTHLY EUROPEAN (LIFPER)

Table with columns: Index, High, Low, Last, Chg.

LONG GILT (LIFPER)

Table with columns: Index, High, Low, Last, Chg.

GERMAN GOVERNMENT BOND (LIFPER)

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U.S. FUTURES

Table with columns: Index, High, Low, Last, Chg.

Grains

Table with columns: Index, High, Low, Last, Chg.

Metals

Table with columns: Index, High, Low, Last, Chg.

Livestock

Table with columns: Index, High, Low, Last, Chg.

Food

Table with columns: Index, High, Low, Last, Chg.

Financial

Table with columns: Index, High, Low, Last, Chg.

Stock Indexes

Table with columns: Index, High, Low, Last, Chg.

Commodity Indexes

Table with columns: Index, High, Low, Last, Chg.

U.S. GNP Rose 1.9% in 2d Quarter

WASHINGTON (UPI) — The U.S. gross domestic product, used by the Commerce Department to measure movement of the overall economy, expanded 1.9 percent in the second quarter, up from the 1.8 percent rate estimated just a month ago.

But the improvement does not change the fact that the U.S. economy is doing worse this year than in 1992. The economy advanced a modest 2.6 percent last year, and for 1993 the administration predicted only 2 percent, spurring higher hopes just months ago by many private analysts.

Previous estimates of second-quarter GDP ran lower than the final number released Wednesday. One reason for the higher result was consumer spending, which accounts for two-thirds of economic activity, was brisker than thought, climbing a healthy \$28.9 billion April through June.

U.S. Eases Hi-Tech Export Rules

WASHINGTON (Bloomberg) — The United States, as expected, will relax export restrictions on American goods, including high-tech electronic wares, in an aggressive drive to increase exports almost 60 percent during the next seven years, under a strategy unveiled on Wednesday.

By sweeping away Cold War bans on sales of many goods to the former Soviet Union and other countries, President Bill Clinton hopes to provide vast new markets for U.S. supercomputer and telecommunications companies.

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WASHINGTON (UPI) — MCI Communications Corp., the second-largest long-distance carrier in the United States, unveiled an organizational realignment Wednesday which consolidates U.S. operations and puts emphasis on emerging technologies while creating 1,000 new jobs.

MCI said that with the restructuring it eliminated the position of president and chief operating officer, recently vacated by Daniel Akerson.

Chrysler Realigns International Units

HIGHLAND PARK, Michigan (Combined Dispatches) — Chrysler Corp. said Wednesday it realigned its international operations under a regionally based management structure to better define markets and business opportunities outside North America.

Chrysler said the international activities will shift from a single organizational structure to one having separate general managers for Europe, the Asia/Pacific region and a region including Latin America, the Middle East and Africa.

Tootsie Roll Buys Warner Operation

NEW YORK (Knight-Ridder) — Warner-Lambert Co. said Wednesday it would sell its chocolate/caramel business to Tootsie Roll Industries Inc. The price was not disclosed. Warner-Lambert bought the chocolate/caramel business of Nabisco Brands in February 1988. The sale includes the Junior Mints, Sugar Daddies, Sugar Babies, Charleston Chew and Pom Poms product lines.

For the Record

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Dell Computer Corp., struggling to recover from its first loss since going public five years ago, said it would not return to healthy profit margins until late next year.

Dollar Slowly Yields Ground Against Mark

NEW YORK — The dollar slipped against the Deutsche mark Wednesday as the currency market's attention wandered away from events in Russia to focus on tough economic issues.

The sluggish American economic recovery and the deliberate pace of German interest-rate reductions returned to the forefront of market considerations.

The dollar closed at 1.6092 DM, off from 1.6135 DM, and at 105.25 yen, down from 105.25 yen.

"The dollar's holding up at the moment, but I still think it's vulnerable," said Nick Stamenkovic of DKB International in London.

"Unless we see signs of a strengthening recovery in the U.S., the dollar's likely to head down to 1.60," investors no longer seemed worried about the German economy's vulnerability to turmoil in Russia and warned to the attractiveness of German interest rates.

Short-term German investments are yielding about twice the return of dollar-denominated instruments.

Additionally, traders said, the dollar was being pressured anew by concerns that the Federal Reserve

Board might consider easing its monetary policy if the U.S. economic recovery remains lackluster.

Scuffles between forces of President Boris Yeltsin and demonstrators supporting the parliamentarians had little effect on currency trading, which was quiet, with the exception of steep drops in the Australian and Canadian dollars.

Dealers said the Fed bought Australian dollars, presumably on behalf of the Reserve Bank of Australia. At its low of 64.22 U.S. cents, the Australian dollar hit its weakest level of nearly seven years.

Dealers also reported the Bank of Canada was buying Canadian dollars at a level of 1.3270 Canadian dollars, but the Canadian unit fell to its lowest level against the dollar in almost six years.

Against other major currencies, the dollar drifted down to 1.4120 Swiss francs from 1.4125 francs Tuesday and to 5.6265 French francs from 5.6450 francs.

The pound fell to \$1.5135 from \$1.5160. Sterling is weak on expectations of a cut soon in Britain's prime minister John Major may act at next week's ruling Conservative party meeting to ease rates.

(Reuters, UPI, Knight-Ridder)

STET Half-Year Profit Rises

MILAN — The Italian telecommunications company Societa Finanziaria Telefonica said first-half consolidated pretax profit rose 14 percent, to 1.79 trillion lire (\$1.13 billion).

But the company, known as STET, predicted that full-year results would be similar to those in 1992. Net profit that year rose 47 percent, to 1.43 trillion lire.

First-half sales rose 7.4 percent, to 14.24 trillion lire from 12.53 trillion, excluding the sales of newly acquired Finisid SpA, the company said.

Parent company first-half pretax profit rose to 428.1 billion lire from 400.9 billion one year earlier.

WORLD STOCK MARKETS

Large table listing world stock markets with columns for market name, index, high, low, last, and change. Includes sections for Amsterdam, Brussels, Frankfurt, London, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and various regional indices.

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Large advertisement for 'French Get' and 'Prison Sente' with stylized text and graphics.

7 French Get Insider Convictions But No Prison Sentences Given in Pechiney Case

By Roger Cohen
New York Times Service

PARIS — Seven businessmen were convicted Wednesday of insider trading that earned them close to \$9 million in illicit profits from the 1988 purchase of New York-based Triangle Industries Inc. by Pechiney SA, the French state-owned aluminum company.

But a former top Finance Ministry official, Alain Boubill, whom the prosecution had portrayed as a key source of insider information on the \$1.26-billion acquisition, was acquitted. The court said it gave Mr. Boubill "the benefit of the doubt" despite troubling contradictions in his testimony.

The sentences, which included heavy fines but no prison terms, came at the end of a five-year investigation that began with a tip from the U.S. Securities and Exchange Commission on unusual trading in Triangle and went on to embroil President Francois Mitterrand's Socialist Party in a scandal that contributed to its crushing electoral defeat earlier this year.

loan from a businessman indicted in the case, who died in 1989. Mr. Bergey, finance minister at the time of the 1988 acquisition, was said by friends to be tormented by the likelihood that he would have to testify in the Pechiney trial.

However, although the case amounted to the biggest insider-trading scandal ever in France, it ended by demonstrating that the crime is viewed with far less severity than in the United States.

Defense lawyers argued repeatedly, and apparently with some success, that much of the buying and selling of stocks amounts to speculation based on more or less informed gossip and that the borderline between this and insider trading is nebulous. The prosecution's demands for prison sentences were rejected by the court.

The trial stemmed from frenetic purchasing of shares in Triangle, the parent company of American National Can Co., between Nov. 15 and 17, 1988, in the over-the-counter market.

Among the indirect casualties was the former socialist Prime Minister Pierre Bergey, who committed suicide last May after revelations that he accepted an interest-free

initiating the illicit trade in Triangle shares, Reuters reported from Paris.

Max Theret, founder of the FNAC chain of hi-fi and record shops, received a suspended prison sentence of two years and was also fined 2.5 million francs for using privileged information to make an illicit profit on the shares.

The main beneficiary of the profits was Roger-Patrice Palat, a friend of Mr. Mitterrand. Mr. Palat died in 1989 after being indicted for insider trading, but a judge is still probing his affairs, hunting for clues to possible illegal funding of Mr. Mitterrand's 1988 re-election campaign.

Lawyers for Mr. Traboulsi, who acted as an official intermediary in the takeover, said they would appeal.

The prosecution had demanded the maximum two-year prison sentence for Mr. Boubill, accusing him of betraying his trust as a civil servant.

He denied passing on any confidential information and his lawyers claimed that the trial had been politically motivated.

The affair was one of a spate of scandals involving party funding and AIDS-related blood transfusions that contributed to the defeat of the Socialists in the elections last March.

Lebanese Financier Fined
Lebanese-born financier Samir Traboulsi was given a two-year suspended sentence and fined 25 million francs (\$4.4 million) for

Grand Met Pub Sale Shows Bias Toward Global Products

The Associated Press

LONDON — Grand Metropolitan PLC, the international food and beverages conglomerate, said Wednesday it was selling a large chain of British pubs and buying some California wines.

The transactions underscore a shift toward brand-name products that can be marketed internationally, a strategy Grand Met confirmed last week with a management shakeup that will elevate the No. 3 executive, George Bull, to the chief executive job.

Grand Met said Wednesday that it would sell its Chef & Brewer Group Ltd. chain of 1,654 pubs to Scottish & Newcastle PLC for £736 million (\$1.12 billion).

The pubs have shown flat to declining profit recently and do not fit into Grand Met's plan to concentrate on its international brand names such as Burger King and Haagen-Dazs, the company said.

Separately, Grand Met picked up some U.S. brand-name wines, Glen Ellen Proprietor's Reserve and M.G. Vallejo Harvest Select, for an undisclosed price from Benziger Family Ranch Associates, of Glen Ellen, California.

Glen Ellen sells what are usually expensive varietal wines, like Chardonnay, Merlot and Cabernet Sauvignon, at mid-range prices. Grand

Met's wines already include Almaden, Inglenook and Blossom Hill.

When Grand Met promoted Mr. Bull, passing over the company's No. 2 executive, Ian Martin, it explained that Mr. Bull's strength was a focus on brand-name acquisitions. But the company said Wednesday that the latest transactions had been in the works for some time.

Maxwell Stake In MGN Is Sold

Agence France-Press

LONDON — Mirror Group Newspapers PLC broke its last links with the late publisher Robert Maxwell on Wednesday, selling his 54.8 percent majority holding in the group to institutional investors.

The sale valued the stake at £373 million (\$566 million).

Mr. Maxwell's stake, held by Arthur Andersen & Co. as administrator since his death at sea in 1991, has been divided among by "a wide range of institutional investors" guaranteeing its "continued independence," a spokesman for Anderson said.

As German Unions Fume, More Contracts Put at Risk

The Associated Press

BERLIN — Stung by management's decision to cancel labor contracts in the German metalworking industry, union leaders hit back Wednesday with strike threats and bitter accusations.

But business leaders suggested that more such moves — in essence, demands for large-scale worker concessions — were in the offing.

Ursula Engelen-Kiefer, deputy chairman of the German Labor Federation, said the employers' unilateral move could lead to a "social conflagration" and widespread strikes.

"This is the last straw," she said on television, accusing industry and government of having forged an "unholy alliance."

The Gesamtmetall industry association said in announcing the can-

cellation Tuesday that it hoped mainly to curb pay, vacation and other fringe benefits.

Klaus Murrmann, the president of the country's employer federation, was quoted by the newspaper as saying other contracts may be annulled.

"We must hold onto German jobs," he was quoted as saying.

"Companies complain that about 10,000 workplaces are being lost every month," the Berliner Morgenpost newspaper commented Wednesday. "Many firms are struggling to survive."

Workers in the Czech Republic, Poland and Hungary are paid less than 15 percent of what German workers make, and German employers have already begun building factories in those countries.

Investor's Europe

Exchange	Index	Wednesday Close	Prev. Close	% Change
Frankfurt DAX	FTSE 100 Index	123.90	124.30	-0.32
Amsterdam CDS Trend	Stock Index	6,562.62	6,573.06	-0.17
Brussels Stock Index		1,907.69	1,913.61	-0.31
Frankfurt FAZ		733.69	735.76	-0.29
Helsinki HEX		1,297.65	1,298.09	+0.70
London Financial Times 30		2,323.80	2,329.50	-0.25
London FTSE 100		3,030.10	3,036.90	-0.22
Madrid General Index		285.39	287.99	-0.87
Milan MIB	N.A.		1,326.00	
Paris CAC 40		2,126.80	2,119.97	+0.32
Stockholm Aftersvevarden		1,584.17	1,579.27	+0.31
Vienna Stock Index		418.87	418.23	-0.58
Zurich SBS		851.00	847.24	+0.44

Very briefly:

- West Germany's annual inflation eased to 4 percent in September from 4.2 percent in August; economists forecast another drop in October.
- France's unemployment rate held steady at 11.7 percent in August as the number of unemployed rose slightly, to a record 3.22 million.
- Treuhandanstalt, the agency privatizing East German industry, said its supervisory council accepted a plan to invest 3.3 billion Deutsche marks (\$2.02 billion) by 1998 to modernize the chemicals company Bana AG.
- France, kicking off its privatization program, is expected to set a price of 250 francs (\$43.95) to 260 francs early next week for its offering of shares in Banque Nationale de Paris, bank sources said.
- The European Commission proposed an expansion of its trade agreements with Israel to include free trade in services and opening tendering for public-works contracts.
- Costain Group PLC, a British construction group, launched a rights issue of \$3.9 million (\$12.4 million) to finance an investment program in the United States.

770 Czech Firms Go on Sale

Reuters

PRAGUE — The Czech government opened the second and final stage of its privatization program on Wednesday, offering shares in 770 companies worth an estimated 145 billion koruny (\$5 billion).

Voucher books that entitle Czech citizens to acquire shares went on sale at post offices throughout the country. Sales were reported to be brisk.

Voucher sales will close Nov. 30 and their exchange for shares is

expected to begin early next year.

The largest single entity on offer is the unprofitable OKD coal mine complex in the Ostrava region, valued at 10.9 billion koruny.

Meanwhile in Slovakia, the government said 40 senior executives of state-owned companies had been dismissed in a crackdown on privatization abuses.

State Secretary Ivan Lexa of the Privatization Ministry said they had run down their companies, hoping to acquire them cheaply when they were offered for privatization.

EC Supports Spain on Steel Subsidies

Reuters

BRUSSELS — The EC Commission, in a move that could make or break the effort to shore up the Community's steel industry, said Wednesday it supported Spain's proposed restructuring plan, which calls for billions of dollars of subsidies to its steel companies.

The commission's decision could anger Germany, which like all other EC members must endorse the plan before the Spanish funds can be released and the conditions met for a wider agreement to bring the EC steel sector back to health.

The commission said, after months of negotiations, that Spain had a viable plan involving cuts in excess production capacity and pri-

vate investment and that EC states should allow Madrid to contribute 2.8 billion European Currency Units (\$3.28 billion) to it.

A commission spokesman said he hoped solutions could soon be found in problems that Karl Van Miert, the commissioner in charge of controlling state aid, had raised with Bonn and Rome over payments to steelmakers Eko Stahl and Iva SpA, respectively.

"These are two important cases which must be resolved," the spokesman said, noting that consensus on all national subsidies was a crucial prerequisite to curing the industry's wider ills.

The commission is trying to reduce the depressed EC steel indus-

try's annual capacity by about 30 million tons in a shake-up that would probably cost more than 50,000 jobs. It says it expects steelmakers to cooperate only after differences over national subsidies have been settled.

Germany's government and steel industry have criticized what they see as excessive leniency toward the state steel sectors in Spain and Italy. Their criticism has cast doubt on whether Germany will accept the commission's proposal on the Spanish subsidy.

The commission said Wednesday its backing for Spain's plan had four conditions, which apparently had been agreed to with Madrid, Spain, whose restructuring in-

volves merging the companies Enxidea and Altos Hornos de Vizcaya into a single steelmaker called CSI, would not be able to go back on its capacity cuts and would have to shut a hot-strip mill in Ansin by June 30, 1995.

It would also have to ensure that the private sector paid for the bulk of investment planned for a new compact strip steel mill at Sestao and allow the Community to check the execution of the overall plan.

The commission did not say how much capacity was to be cut in Spain, but officials said Mr. Van Miert had a general rule in negotiations that there should be cuts of 750,000 tons for every 1 billion ECUs of state subsidies approved.

Russia and Bank Creditors Are Near an Accord

Reuters

WASHINGTON — Russia's international bank creditors appeared close Wednesday to wrapping up a deal to give Moscow time to pay debts totaling \$26 billion.

The conclusion of a debt accord would offer the Russian government major financial relief. Coming at this time, it also would coincide with

strong political support from the world's richest industrial nations for President Boris N. Yeltsin in his showdown with Russia's parliament, which has been resisting his attempts at economic reform.

Christian Vontz, an executive of Deutsche Bank AG, who is chairman of a group of 600 banks that are owed money by the former So-

viet Union, said he was optimistic an agreement would be reached next week.

The banks and a Russian delegation held two days of talks in Washington, in conjunction with the annual meeting last weekend of the International Monetary Fund, and plan to meet next week in Frankfurt. A spokesman for Deutsche Bank

quoted Mr. Vontz as saying, "We want to complete negotiations on debt maturing up to 1993 next week."

The banks have offered Russia a five-year grace period during which it would not have to make any principal or interest payments on its debt. Russia would then have 10 years to pay off the debt.

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	52 High	52 Low	Latest	Chg
100.00	90.00	IBM	3.00	4.5	15	100.00	90.00	95.00	+5.00
120.00	110.00	Microsoft	0.00	0.0	10	120.00	110.00	115.00	+5.00
80.00	70.00	Apple	0.00	0.0	12	80.00	70.00	75.00	+5.00
150.00	140.00	Oracle	0.00	0.0	15	150.00	140.00	145.00	+5.00
200.00	190.00	Sun	0.00	0.0	18	200.00	190.00	195.00	+5.00
300.00	290.00	HP	0.00	0.0	20	300.00	290.00	295.00	+5.00
400.00	390.00	Intel	0.00	0.0	22	400.00	390.00	395.00	+5.00
500.00	490.00	Motorola	0.00	0.0	25	500.00	490.00	495.00	+5.00
600.00	590.00	Texas Instruments	0.00	0.0	28	600.00	590.00	595.00	+5.00
700.00	690.00	Advanced Micro Devices	0.00	0.0	30	700.00	690.00	695.00	+5.00
800.00	790.00	AMD	0.00	0.0	32	800.00	790.00	795.00	+5.00
900.00	890.00	ATI	0.00	0.0	35	900.00	890.00	895.00	+5.00
1000.00	990.00	ATI	0.00	0.0	38	1000.00	990.00	995.00	+5.00

Mazda Says Yearly Loss To Worsen

The Associated Press
TOKYO — Mazda Motor Corp., the latest blue-chip company to fall victim to the high yen, said Wednesday it expected a record loss this year and would slash its work force 10 percent and omit its dividend.

Citing the "rapid and drastic" rise of the yen and slumping sales overseas, the automaker projected a net loss of 32 billion yen (\$302.2 million) in the year ending March 31, 1994, worse than a previous projection of a 12 billion yen loss.

It also said it would not pay a dividend, marking the first time it had skipped a payout since the company was listed on the Tokyo Stock Exchange in 1949.

Mazda, Japan's fourth-largest automaker, said it would cut its work force of 30,000 by 3,000 within three years through attrition and reduced hiring. It earlier had planned to trim only 1,500 jobs.

The rising yen has hurt manufacturers by making Japanese goods expensive overseas and reducing the yen value of profits that exporters bring to Japan.

Japanese manufacturers are scrambling to move production overseas, where labor and other costs are lower. This week alone, Hitachi Ltd. said it would invest 5 billion yen to boost semiconductor production in the United States, and NEC Corp. announced it would start making 5,000 laptop computers a month in Seattle.

Mazda also plans to halt a production line at its Hiroshima plant that makes the Ford Festiva and other small cars.

Hardware Rivals in Hanoi IBM and Digital Jostle in a New Market

Compiled by Our Staff From Dispatches
HANOI — An American computer rivalry moved to Vietnam on Wednesday, with International Business Machines Corp. and Digital Equipment Corp. jostling for position. IBM claimed the initial high ground.

The two companies announced within 24 hours of each other that they had signed up Vietnamese business partners, in the aftermath of President Bill Clinton's relaxation of the American economic embargo against Vietnam two weeks ago.

A Vietnamese official said all contestants were welcome in the computer field, but that IBM, which worked in the former South Vietnam before the Vietnam War ended in 1975, had special status.

"No one can deny that IBM is the leading computer company in the world," Tran Van Duc, technical promotion director of the Ministry of Science and Technology, said at a news conference called by IBM.

Mr. Duc announced that the ministry and IBM had signed a memorandum of understanding Tuesday to work on Vietnam's master plan for its nascent information-technology sector. The plan calls for spending between \$200 million and \$1 billion by 2000, depending on when and whether the remaining economic embargoes against Hanoi are lifted.

IBM and Digital, in separate statements, stressed that they were working within the terms of the current embargo, which Mr. Clinton eased to allow American companies to compete for development projects funded by international institutions such as the World Bank.

Both said their local partners would deal with clients approved by Washington under such projects, expanding to serve all customers when the embargo was lifted.

Industry sources said Olivetti SpA of Italy was the current leader in personal computers in Vietnam, with a market share of about 12 percent, with Fujitsu Ltd. of Japan and Groupe Bull of France also big players.

IBM was authorized to open a representative office in Hanoi in July. It hopes to open a second office, in Ho Chi Minh City, soon. (Reuters, AFP)

Taiwan to Offer Steel Shares

Compiled by Our Staff From Dispatches
TAIPEI — The Taiwan government intends to resume privatizing the state-run China Steel Corp. with the sale of a 23 percent stake in the fiscal year ending in June 1994, the Commission of National Corporations said Wednesday.

It will offer 1.54 billion shares in the island's biggest steelmaker. At current market prices, that would make the sale worth 27.4 billion Taiwan dollars (\$1.02 billion), one of Taiwan's largest privatizations.

A commission spokesman said a team of local underwriters and foreign financial institutions would be selected by the end of this month.

The sale, and an issue of bonus shares to employees, would reduce the government's stake to 52 percent from about 76 percent, he said.

The commission is considering three ways to sell the shares: an auction to foreign investors, a public offer in Taiwan, and a sale of global depositary receipts. More than one method may be used.

Taiwan began privatizing China Steel in 1989. In the last domestic offer, 509.5 million shares in June 1992, only 38 percent of the offer was taken up.

Meanwhile, executives of China Petroleum Corp. said it would convert to private operation over seven years starting in 1994.

Also, the Economy Ministry and Taiwan provincial government are planning to sell their equivalent stakes of 19 percent in Chung Hua Pulp Corp. and 49 percent in Pan-Ocean Forest Development Corp., the commission said. (Reuters, AP, AFP)

Japan Rice Imports To Total at Least 1 Million Tons

The Associated Press
TOKYO — Facing its worst harvest in decades, Japan will break a powerful political taboo by allowing "emergency imports" of at least a million tons of rice.

The decision, to be formally announced Thursday, undercuts Japan's argument in support of its near-total ban on rice imports: that it needs to be self-sufficient in the nation's staple food.

After a cool, wet summer, there has been speculation for weeks that emergency imports would be necessary. Prime Minister Morihiro Hosokawa confirmed that Wednesday, but did not disclose details.

The Ashahi Shimbun said that the government probably would have to import rice next year too.

"That means the effective collapse of the government's policy of self-sufficiency," the newspaper said.

Industry analysts and local reports said Japan would first import 400,000 tons of rice, mainly from Thailand, for use in processed foods. It then would import at least 600,000 tons of rice for eating, with the United States almost certain to be among suppliers, said Toshiharu Nishiguchi, vice president of Beikoku Data Bank, a rice market research group.

The government decides each year how much land can be used to grow rice, and promises to buy rice from any farmer who does not sell it through other channels.

To avoid the expense of buying surplus rice, the government has

tried to fine-tune production to fit demand. But that leaves a shortage when the weather is bad.

"Japan's insistence that it supply all of its rice domestically has lost its logical foundation," said Mr. Nishiguchi.

In 1994, the government allowed a one-time import of 150,000 tons of South Korean rice to make up for a shortage. This year's harvest will force far greater adjustments. Local reports indicated that the rice harvest would fall to a record low of 8.21 million tons, nearly 1.8 million tons short of demand.

Mobil, Petronas Seek Deep Oil

Compiled by Our Staff From Dispatches
KUALA LUMPUR — Mobil Oil Corp. and Petroliam Nasional Bhd. signed contracts Wednesday to explore for oil in a potentially rich field that is so deep it cannot be exploited using current technology.

Robert Gaca, president of Mobil Eastern Exploration & Development Inc., said the blocks could hold 2 billion barrels of oil. But the oil is up to 1,000 meters (3,284 feet) deep.

Petronas, the state-owned Malaysian oil company, said it has never produced oil from a depth of more than 200 meters. (Reuters, Bloomberg)

Investor's Asia

Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong Hang Seng	Hang Seng	7,551.10	7,470.50	+1.08
Singapore Straits Times	Straits Times	1,999.28	1,998.14	+0.01
Tokyo Nikkei 225	Nikkei 225	19,514.00	19,423.00	+0.47
Sydney All Ordinaries	All Ordinaries	20,077.41	20,172.72	-0.47
Kuala Lumpur Composite	Composite	846.56	846.92	-0.40
Bangkok SET	SET	958.02	958.50	-0.26
Manila Composite Stock	Composite	718.87	718.87	0.00
Jakarta Wahiago Price	Wahiago Price	3,832.59	3,848.48	-0.41
Manila Composite	Composite	1,982.41	1,961.12	+1.09
Manila Composite	Composite	419.59	418.40	+0.28
Manila Composite	Composite	1,998.68	1,998.95	-0.17
Manila Composite	Composite	1,296.50	1,316.20	-1.50

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Hong Kong regulators said Kerry Media Ltd. would not need to make a general offer to shareholders of SCMP (Holdings) Ltd., parent of the South China Morning Post. The sale of a stake to Kerry had been made conditional on an offer not being necessary.
- Hong Kong is considering applications from the European Bank for Reconstruction and Development, the Nordic Investment Bank and the Inter-American Development Bank to be exempted from Hong Kong profit tax, a government spokeswoman said.
- Guangzhou held its first sale of application forms for stock for domestic investors, and more than 60 million forms were sold, a city official said. The forms will allow holders to buy into a public offer of 226.37 million A shares of five Chinese companies to be listed in Shenzhen and Shanghai.
- Vietnam's state enterprises should be cut in half by closure or privatization, a recommendation to the government said. If the recommendation is approved, the government would retain direct control of only 4,000 companies, or a third of the number it ran two years ago.
- Nippon Telegraph & Telephone Corp. will cut domestic long-distance rates Oct. 19 to compete with rivals in the field and will raise rates for local and public-phone calls, subject to government approval. The government's response is expected Thursday. (Reuters, Bloomberg, AFP)

Sony Unveils MiniDisc Units

Compiled by Our Staff From Dispatches
TOKYO — Sony Corp. announced the second generation of MiniDisc digital-audio players Wednesday, unveiling six models.

Two are portable players half the size of an earlier portable unit. Other models include car players and a home audio system that incorporates a CD player.

The first MiniDisc system, which uses discs about the same size as computer floppy disks to record

music of the same quality as CDs, was released one year ago.

The models will go on sale in Japan in November, with prices ranging from 55,000 yen (\$520) for the pocket-size player to 140,000 yen for the home unit. The company said the players would be available abroad in the spring of 1994.

Sony said it expected most leading music companies to start putting titles on the MiniDisc format by early next year. (AFP, Bloomberg)

FIAT: Call for Capital Hits Shares

Continued from Page 11
members, but that still leaves seven under Agnelli," she said. "He still will be able to do whatever he wants. Nothing will change."

Representatives of Alcatel Alsthom and Deutsche Bank already sit on the Fiat board.

Under the plan, Alcatel will invest 640 million French francs (\$112.5 million) to subscribe to the

new shares, doubling its stake to 2 percent — equal to Fiat's stake in Alcatel Alsthom.

Deutsche Bank's stake in Fiat will rise from 2.53 percent to "slightly less than 3 percent," Mr. Ranieri said. He said the German bank would pump 61.8 billion lire into new Fiat shares and warrants.

Mediobanca's stake will hold steady at 3.09 percent, while Generali's jumps to 2.4 percent. However, because the merchant bank effectively controls Generali, analysts said, Mediobanca's influence in Fiat is much larger.

"The whole maneuver has Mediobanca's handwriting all over it," Dagmar Bottenbruch, automotive analyst for Credit Suisse First Boston, told AFP-Ertel News.

SEAT: Chairman Stepping Down

Continued from Page 11
expect any further financial aid and that it needed to slash costs to stay afloat.

The cash injection was seen as a fatal blow to VW Chairman Ferdinand Piëch's hopes of seeing the company break even this year.

In an advance copy of an interview to be published in Thursday's edition of the German weekly Die Zeit, Mr. Piëch said VW had done what it could to help SEAT and "the rest is up to them."

The state of emergency at SEAT comes amid a sharp drop in automobile sales worldwide and legal battles that analysts say have distracted VW's top management from day-to-day supervision of the

company's subsidiaries, including SEAT, Audi and Skoda.

VW recently angered the Czech government and international bankers by concealing a financing package of 1.4 billion DM for Skoda on the eve of the deal's signature.

Jürgen Pieper, an automotive sector analyst at Deutsche Bank Research in Frankfurt, said the resignation of Mr. Alvarez was good news because it meant that "VW is taking charge of its subsidiaries."

Mr. Piëch told Die Zeit that VW's parent-company profits were growing faster than expected. But analysts say that the cash transfer to SEAT and other one-time charges which occur in the fourth quarter will make it difficult for the parent to post a profit for the full year.

WOMEN: They Trail in Britain

Continued from Page 11
she said. "It is structural segregation — institutions hire women to do the low-paid jobs and men to do the high-paid jobs."

The prejudice, she said, was not totally irrational. "It is based on an employer's sitting there saying, 'I have a man in front of me and a woman. Who is most likely to work long hours, to not have to leave to take care of children?'"

Readily available child care could change this, Ms. Fox said. "We need to change the position of women," she said. "If there is child care available, women would be free to pursue a career, and the prejudice would eventually disappear."

Lawns meant to impose equality have not worked. The Equal Pay Act, passed 23 years ago, was intended to bring women's pay up to the level of men's. But the commission report said full-time female managers and administrators earned two-thirds of the average pay of men in similar jobs last year.

Women lawyers, doctors and police all fell behind men, with male holding the high-paid and management positions. Even in the civil service, where numbers were roughly equal, men held a disproportionate number of managerial positions.

Ms. Coe said this was partly because male managers promoted other men.

AUTOS: Washington Will Provide Detroit With Cold War Technology

Continued from Page 1
improve those figures to 51 miles per gallon in the city and 72 miles per gallon on the highway.

The idea, according to the White House, is to use federal resources — including scientists and laboratories that are idle because the development of weapons has been scaled back — for research in the areas "where risks are so high and rewards so delayed that the U.S. industry could not afford the investment." But the work is not supposed to increase the government's total research spending.

The partnership does not say even broadly how the mileage goal would be accomplished. The mention of capacitors implies that the car would be powered by electricity, at least in part. The agreement also mentions fuel cells,

which are devices first developed for the space program, that combine oxygen from the air and hydrogen from natural gas or other fuels, and produce electricity and water.

There are also short-term goals, including building cars with lightweight materials, which would improve fuel economy without changes in the engines, and using materials that can be recycled.

A spokesman for the companies, Larry D. Weis, who represents a research consortium of the Big Three called Uscar, said that for the last few years, "we have worked together before in bits and pieces." The new agreement, he said, "commits the government and the companies to sit down in a coordinated effort; it becomes more of a moon-shot kind of program."

And as with the early days of the space program, Vice President Al Gore painted the latest effort in patriotic colors.

"We have a strategic interest as a nation in meeting the goal we've set in this program," he said in an interview Tuesday. "It's an act of patriotism but also an act of good business sense, because I predict this will result in breakthroughs that are likely to position our American auto industry to dominate the growing world market in the next century."

Financing for the projects will be split, the White House said, with Washington taking the larger share of the "riskier, long-term projects," and the car companies paying for the "projects with near-term, marketplace applications."

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Egyptian Banking AND Capital Markets

Market Responds to Regional Optimism

There are encouraging signs that Egypt's once dormant capital market will soon become one of the developing world's most interesting emerging markets.

Rapid development of the Egyptian market seems assured by an expected flow of issues, enhanced by an ambitious privatization program that confirms the government's commitment to economic reforms and the liberalization process. Also encouraging is the recent dramatic improvement in prospects for a lasting peace in the region.

Earlier this month, the market responded enthusiastically to the first in a planned string of public issues to privatize the state-owned banks' shares in joint-venture banks over the next two years. This confirmed the optimists' high expectations of investor confidence and perception of risk in the market. The flotation of 150 million Egyptian pounds (\$45 million) worth of shares by the Commercial International Bank earlier this month was oversubscribed. The issue is

Index reached 3,294 in mid-September

part of a phased plan to privatize the bank after its main shareholder, the public-sector National Bank of Egypt, acquired all the shares previously owned by its former partner in CIB, Chase Manhattan.

With the move to increase its capital through a public share offer completed, CIB became the first bank to be listed on the stock exchange. According to the new capital market law, companies with a public shareholding of 30 percent or more of their capital are eligible for listing, which entitles them to tax exemptions. Apart from offering tax incentives to encourage companies to go public, the new law has put an end to a situation in which closed companies were listed on the stock exchange and enjoyed similar privileges. Over time, these companies had grown in number as well as in proportion to the public joint stock companies, reaching 499 out of the 658 companies listed on the Cairo and Alexandria bourses.

Since the government declared its intention to revive the Cairo and Alexandria stock exchanges in 1982, trading has suffered from the lack of good paper as well as expertise to develop the market, which had been dealt a blow by a wave of nationalizations in the 1960s. Although the volume of trading has picked up in the last four years and reached 569 million Egyptian pounds last year, compared with 4.1 million pounds in 1982, it remains almost exclusively restricted to 50 stocks. Bonds represent only 4.5 percent of that volume, being development bonds that were issued by the government with a low interest rate. Other forms of securities such as floating rate notes or corporate bonds remain unknown to the market, although they are covered by the new law.

In spite of a few flaws, the long-awaited new law has clarified regulations on issues and the setting up of securities firms, offered incentives for public joint stock companies and allowed the eventual listing of foreign stocks on the Egyptian capital market. Confusion created after the executive regulations of the law were issued last spring initially slowed down trading; it later picked up after an agreed interpretation of the law allowed trading in shares before the registration of ownership by the issuing company. This cut to an average of one week a process that had taken four to 12 weeks on average - still slow by international standards. With trading continuing to be marred by unclear regulations requiring interpretation or intervention from the authorities, the new law is, according to Alaa Saba, vice president with Kidder Peabody in Cairo, "not state-of-the-art, but it is a gigantic step forward."

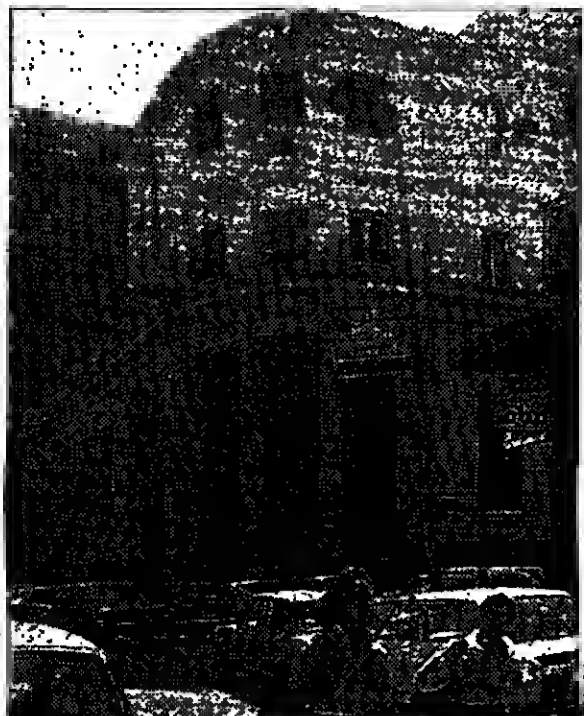
A minimum capital of one million Egyptian pounds is required for establishing a company, and new companies are required to concentrate on one line of activity only so that a portfolio management company or a brokerage firm cannot trade in shares on their own account. The existing 12 brokers, the youngest of whom is in his early 60s, say that

they are unable to meet the new conditions or benefit from an extended six months' notice to do so.

One of the most successful investment companies active in portfolio management is Misr Company for Financial Investments, established 10 years ago by the International Finance Corporation and two Korean banks. It started out, according to its chief executive, 62-year-old Samir Sami, "ahead of the market with unrealistic goals." The company has concentrated on building a base of corporate and private customers over the last four years, so that now, Mr. Sami says: "There are more clients than paper."

In addition to portfolio management and advisory services, the company has taken a lead in creating a secondary market for Treasury bills. Its subscription and trading services in these bills since the beginning of this year amounted to 280 million Egyptian pounds, while its portfolio management activities reached 65 million pounds. The company is also active in financial restructuring and plans to expand as the market develops in the areas of underwriting and promotion of issues.

The market is modernizing its outdated facilities and investing in information technology in preparation for the upcoming bank flotations and other public issues expected to be launched before the end of this year. The registration of transactions is now computerized. Electronic boards are to be installed at the Cairo and Alexandria bourses, which will be linked. A network will allow brokers to monitor movements on the stock exchange before the end of the year, according to the president of the Cairo stock exchange, Mohammed Hamed. Regular monthly bulletins monitoring trading have begun to be issued, and a daily official bulletin has been upgraded and improved. An official index of trading was introduced in the beginning of August.



Modernized facilities at the stock exchange will handle the new flotations.

Sophisticated and interested professionals are raising the standards of information analysis to provide better service to their clients. Gamal Khalifa, a 34-year-old broker operating as an associate member of one of the old firms, has been regularly monitoring the most actively traded stocks. He has prepared indexes for each of them over the last three years in addition to

issuing a bimonthly newsletter containing analysis of companies. In August 1992, Kidder Peabody started a selective index of the 23 most actively traded stocks on the Cairo stock exchange. The index, relative to 1,000 points backdated to the end of December 1989, rose almost steadily to reach 3,294.55 at the close of trading on Sept. 13. Aly El-Tahry, senior vice president with Kidder Peabody in Cairo, says: "The market is anticipating the positive effect of structural reform, as translated into growth." He adds that the firm will be launching a \$50 million investment fund, the first ever in Egypt, before the end of the year.

This month Egypt began the second phase of an economic reform and liberalization program that is expected to help the economy's performance improve in the immediate future.

Optimistic about the economy's prospects, the outgoing managing director of Morgan Stanley, Hussein Choucri, says the outlook is "very positive and promising." He adds that there has been more change in Egypt in the last two to three years than in the previous 40 years. Mr. Choucri says he plans to channel investment flows into the country to participate in privatization and become active in acquisitions in partnership with multinationals and institutional investors, receiving support from the banks and eventually using the market to raise capital.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Olfat El-Tohamy, a journalist, business consultant and lecturer in business communications based in Cairo.

Bank Reforms: New Players, New Arena

Banks operating in Egypt are bracing themselves for a period of increased competition. A new phase in the financial market's development is placing fresh demands on Egyptian banks while offering them new opportunities.

Says Mahmoud Abdel-Aziz, chairman of the National Bank of Egypt: "There is a change in the size of the banking market, since foreign banks are for the first time allowed to deal in Egyptian pounds, while at the same time the market's demand for investments is not increasing sufficiently." A recent move allows foreign bank branches to become full-fledged members of the banking community.

As a result, Citibank, which will become the second international bank - after American Express - to deal in the local

currency, has raised its capital from \$15 million to \$50 million, increased its staff by 25 percent, expanded its work space and revamped its system. "We're very excited about the prospect," says Citibank's vice president and general manager for Egypt and North Africa, Ahmed Bardai. He adds that until recently, the bank's ability to provide full service to its clients was restricted. Foreign bank branches, including Citibank, lost some of their clients when they shifted to the local currency as a result of the liberalization of the foreign market exchange and interest rates on local currency two years ago.

Citibank in Egypt has been active in other areas, such as debt conversion, by helping initiate the program that has so far led to the conversion of \$1.85 billion worth of foreign debt. It later became the biggest single player, according to Mr. Bardai, with the conversion of debt amounting to \$550 million successfully leveraged by the international bank's branch network. In addition to pursuing this role, the bank will have greater flexibility to lend in a market in which competition has been further fueled by a recent Central Bank of Egypt circular allowing banks to pay interest on current accounts.

Healthier banks are now emerging

Mr. Abdel-Aziz, who is also the head of the Banks Association of Egypt, says that the association is warning banks against "lowering the safety levels at the expense of quality standards, and resorting to non-professional pricing, so that the banking market is not affected and competition does not prove to be fatal for some banking units." He points out that as a result of recent reforms, the banks' lending margins fell from between 4 percent and 6 percent before the reforms to between 0 percent and 1 percent at present. He adds that there is a danger that competition may lead to banks' acquiring new bad debts while some of them have yet to meet the standards set by the Basel-based Bank for International Settlements for capital adequacy and provisions. The CBE has given banks until 1997 to meet the BIS standards, which Mr. Abdel-Aziz, who is also the head of the Arab Banks' Union, considers "very strict and inflexible."

Not all banks are going through the process gradually. Ali Negm, chairman and managing director of Delta International Bank, says that the bank's capital increase from 15 million to 100 million Egyptian pounds (\$4.5 million to \$30 million) was oversubscribed to 110 million Egyptian pounds. It was paid by the banks' shareholders, who include Arab and local institutional and private investors, over four installments in one year. Says Mr. Negm, the former governor of the CBE, "Whereas before we had no room to maneuver, there is a complete turnaround in our volume of business."

While healthier and stronger banks emerge as a result of better leveraging, others, such as the National Development Banks in Egypt's 23 governorates, will merge into one bank. Although it remains unlikely that the four giant public-sector banks' control of 70 percent of the sector's assets and deposits will change in the immediate future, Mr. Bardai says, "Our entrance will be complementary to them, as we will have to depend on them initially for funding." He adds

that this will activate the interbank market, which he calls "very thin but overliquid - a situation that will change as the economy's prospects become more promising next year."

Mr. Abdel-Aziz believes that banks have a nontraditional role to play in the development and expansion of the financial market. The capital market is currently the focus of reform and liberalization, but some bankers have complained that they are not yet prepared to play a role in it. Mr. Abdel-Aziz argues that because their clients trust them, the banks should prompt them to participate in the capital market. They can assure them of the fairness of the valuation of projects that are being privatized, facilitate the management of issues and promote and sometimes guarantee issues through underwriting.

Morgan Stanley's former managing director, Hussein Choucri, agrees. "Local financial institutions have a stake in seeing the system succeed," he says, "and they should lead this effort."

According to Mr. Abdel-Aziz, the National Bank of Egypt, the country's second-largest bank, has set an example. Lending, which represented 70 percent to 80 percent of its activity in the past, recently fell to 55 percent, while the bank's fee income has increased. The bank is actively managing its portfolio and has already divested 60 million of its 200 million Egyptian pounds worth of holdings to contribute to the activation and development of the capital market.



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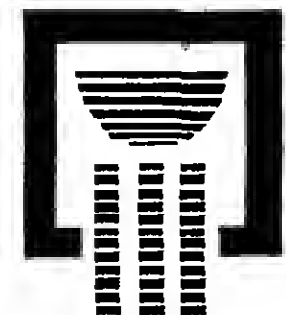
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SPORTS

Philadelphia Wins NL East, Burying Ghost of '64; San Francisco Moves Back Into Tie With Atlanta

The Associated Press
The Philadelphia Phillies finally evicted the memories of 1964. They made certain there would be no historic collapse to rival that of 29 years ago, winning their first National League East title in 10 years by beating the Pittsburgh Pirates, 10-7, Tuesday night.

They won it just like they've won 96 games in a season that's barely to be believed. The same team that won just 70 times last season (finishing last in the division) refused to believe it wasn't good enough, refused to collapse, refused to quit and refused to lose.

Now, the Phillies turn to the NL championship series, where their

opponent won't be determined for at least a few more days.

San Francisco's 6-4 victory over Colorado at Candlestick Park pulled the Giants back into a tie in the West with Atlanta, which lost, 5-2, to visiting Houston. Both teams are 100-57 with five games left.

The Giants, who trailed the Braves by four games on Sept. 17, won their seventh in a row and 11th in their last 12 games after losing eight straight. Steve Scarsone hit a three-run homer and Will Clark a solo shot to lead San Francisco.

Pete Harnisch overpowered Atlanta on five hits in 8 1/2 innings as Houston beat the Braves.

"We've won 100 games," Braves outfielder David Justice said. "We're confident in our ability. You can't get all the breaks all the time."

In Pittsburgh, Len Dykstra, the Phillies emotional leader, led the way with four hits, three RBIs and his usual pedal-to-the-metal style. Mariano Duncan finished off a season to remember with a dramatic grand slam in a four-run seventh inning.

"Bury the ghosts, baby!" Wes Chamberlain said. "Do you wear any ghosts? I don't hear any ghosts of '64." That was the year the Phillies collapsed in the last 10 games to lose the pennant to St. Louis.

This year, the Phillies led every step of the season except for one day. On April 9, the Phils lost to the



Danny Jackson, a Phillies pitcher, mugging for teammates while they shower him with champagne.

NL ROUNDUP

Chicago Cubs and slipped into second place. They won the next day to tie for the lead, took over after the following game and kept right on going, completing a saga of last to first.

"This really isn't sinking in," John Kruk said. "You're used to going out there brain-dead in September, and, all of a sudden, you're playing for a championship. For seven years the teams I played on weren't just bad, they were BAD."

The last time the Phillies won the division, in 1983, they also won the pennant, but lost to the Baltimore Orioles, 4-1, in the World Series.

"I'm excited, but we can't get too excited," Duncan said. "It's not like our season is over. We've still got the playoffs to go, and, hopefully, the World Series. I don't think this team is done yet."

Dykstra, the Most Valuable Philie and maybe the NL's MVP, too, had a two-run single in the fourth off Pirates rookie John Hope to make it 3-1, but rookie starter Mike Williams couldn't hold the lead.

Williams left in the sixth after the Pirates loaded the bases. Bobby Thigpen (3-1) gave up Tom Prince's two-run single and Orlando Merced's run-scoring pinch double — and still won the game.

"We knew one run wouldn't bring us down," Mickey Morandini said. "We knew we were going to come back and win."

The Phillies didn't take long to catch up.

They loaded the bases in the seventh off rookie reliever Rich Robertson (0-1), one of the Pirates' six pitchers, before Kevin Stocker tied it 4-4 with an RBI single. Then Dykstra gave them the lead by walking on four pitches against Denny Neagle.

Dykstra was 4-for-5 with three RBIs and two runs scored, and it was appropriate his walk proved so important. The Phillies really do believe a walk is as good as a hit; they've walked a league-high 649 times, led by Dykstra's 127.

The grand slam has been a big Phillies weapon, too. Duncan followed by hitting Neagle's hanging curveball over the left field wall for his 11th homer of the season, the 11th of his career against Pittsburgh and the Phillies' team-record eighth slam of the season.

"This is the biggest hit in my career," Duncan said. "This is the most exciting moment of my life."

After the game, the Phillies poured champagne on each other, danced, mugged, hugged and even kissed. Pete Incaviglia, of all people, planted one right on Kruk's left cheek, and Kruk didn't even hit him.

"I wouldn't have liked that at 3 o'clock," Kruk said. "Right now, it doesn't feel bad."

The Phillies can imagine only two things feeling much better: winning a pennant and winning a World Series. They won't be favored to win either — they're probably the biggest longshots of the three division champions already decided — but they don't care.

"I've always had to watch my friends in baseball do this," Kruk said. "Now, it's our turn. And you know what? It's fun."

Expos 3, Marlins 2: In Miami, Dennis Martinez took a perfect game into the sixth inning and became the sixth pitcher to win 100 games in each league as Montreal beat Florida, but it wasn't enough to keep the Expos from being eliminated.

Mets 6, Cardinals 1: In New York, Jeff McKnight hit a three-run homer to continue his outstanding season off the bench. McKnight is 19-for-58 (.328) as a pinch hitter.

Padres 11, Reds 4: In San Diego, Ricky Gutierrez and Archi Cianfranco each homered in San Diego's seven-run sixth inning that beat Cincinnati.

Dodgers 6, Cubs 5: In Los Angeles, Mike Piazza tied a 65-year-old franchise record for RBIs by a rookie, increasing his total to 106 with a two-run single. Del Bissontette set the record in 1928.

One Phillies Fan, Starved for Glory, Dares to Dream

By Dave Clemens

International Herald Tribune
PARIS — One thing about being a Philadelphia fan is that at least it's not as awful as rooting for the Chicago Cubs or, say, the old St. Louis Browns. The Phillies have actually won a few division titles, a couple of pennants and even a World Series in recent times, although you could never compare them to the Big Red Machine or the Bronx Bombers.

But the thing about my being a Philadelphia fan is that somehow I've missed it all. Born 30 miles from the city in 1950 into a long line of Chester County Clemenses, I was a little young to appreciate the National League title that year. In 1980, the world championship year, I was getting to know Paris (fresh expatriate much too busy to keep up with baseball), and in 1983, the last pennant year, I was about as far away from daily box scores as I could be, in southern Africa.

But 1964, ah, yes, I failed to miss 1964. A transplanted Yankee boy in Dallas, a city without major league ball, I died every morning in late September picking up the Dallas Morning News (the paper where a few months earlier we had seen nothing but JFK's picture and a huge headline) and learning of another Phillie loss. We cursed Gene Mauch, my dad and I, for overruling, abusing, his pitching ace. One day it was Jim Bunning, and the next it was Chris Short, the leftie. Then Bunning again. Didn't the manager have any other starters? Couldn't we get another manager? And then it was too late. Despite all that young talent, led by the slugger Richie Allen (he wasn't yet Dick), the Phillies had lost again, blowing an unblowable lead to the Cardinals.

So you see why, when I visited my family in the Philadelphia area early this April, a few games into the season, I couldn't get too excited about the Phillies' good start.

My Uncle Jack said, when we went to see him and Aunt Alice, "How about those Phillies?" Jack is 76, and he's been around the Philadelphia area most of his life. He remembers 1950, and 1980, and 1983. The best years.

My Uncle Don, leaning back in his recliner, was watching the ball game (the Dodgers were in town) when we came in. "Been keeping up with the Phillies?" Aunt Mary asked.

I smiled, with Parisian irony. "It's a long season," I said. "Let's see where they are in September."

So my kids and I traveled a little farther West, to Ohio, to see more relatives, and with my brother we went up to Detroit to see a game on a clear, chilly afternoon in Tiger Stadium. The Tigers did lots of hitting (Rob Deer had two home runs), but they were clearly going to win as soon as July set in and the shaky pitching staff got worn down. Spring bloomers. Like the Phillies, I said to myself.

When I got back to Philadelphia a few days later, the Phillies were still winning.

In May, when I was back at work in Paris, the Phillies were still winning. June, July, August went by. The Tigers had dropped way back, but the Phillies were still winning. The Cardinals closed to within four games, and the Phillies beat them back. The young pitchers, led by Tommy Greene, were holding up. Lenny Dykstra was playing way over his head and wouldn't stop. A lot of other guys — Eisenreich, Incaviglia, Morandini — were coming from out of nowhere.

Then the Expos challenged, winning something like 14 of 16 games while the Phillies faltered. Now it happens, said the 14-year-old boy who had grown up watching the remnants of the Whiz Kids — Robin Roberts, Curt Simmons, Willie Jones, Granny Hamner — stumble around Connie Mack Stadium. Now they lose again. Now history, the only history of this club I really know and feel, repeats itself.

Except it didn't. The Phillies hung on. They went nearly wire to wire in the last year in which that will mean anything, before baseball goes to a round-robin playoff format.

And now, of course, they'll have to meet the Braves for the NL championship. Or the Giants. In any case, they're way overmatched. They barely played 500 ball the last part of the season. The collapse has only been delayed.

Hasn't it? On second thought, maybe I'll call Uncle Jack and see what he thinks.



Will Clark of the Giants watching his blast clear the fence.

When the Going Doesn't Matter, Those Who Don't Matter Much Get Going

The Associated Press
It's late September and both division titles have been clinched in the American League. That allows for a these-games-don't-matter baseball quiz.

Q: Who are Rob Butler, Domingo Cedeno and Shawn Green?

A: Three starters for Toronto Blue Jays. Q: Who are Mike Huff, Norberto Martin and Chris Howard?

A: A trio who played Tuesday night in the Chicago White Sox.

Welcome to post-clinching baseball, a time when the end of the bench gets emptied while the regulars enjoy some well-earned rest.

Toronto manager Cito Gaston had everyone checking his scorecard in a victory over the Milwaukee Brewers, fielding a lineup that included Butler, Cedeno and

Green as well as William Canie, Randy Knorr and Huck Flenor.

"We all knew we were going to play, so we made some jokes and had some fun. It relaxed everybody. We were going around and saying 'scrub boys' and all that," said Knorr, a catcher.

Chicago manager Gene Lamott didn't go quite so far, using a handful of regulars along with the rookies in the White Sox's loss to Seattle.

"We had a different team out there, but most of those regulars will play tomorrow. You can't stop playing and turn it off again," Lamott said.

Blue Jays 6, Brewers 4: In Milwaukee, Toronto's backups got some support from veterans Dave Stewart and Duane Ward. Knorr had a triple, double, single and walk and Turner Ward hit a two-run single.

Stewart (12-8) pitched five innings for his fourth straight win, allowing seven hits and one earned run. Duane Ward struck out the side in the ninth for his 44th save.

The winning runs crossed the plate in the fifth against Matt Maysey (1-2).

Marlins 5, White Sox 2: In Chicago, Scott Ruffcorn (0-2) was tagged for two-run homers by Jay Buher and Dave Madagan as Seattle snapped a four-game losing streak.

Tim Lincecum (11-8) allowed seven hits in 7 1/2 innings. Ted Power got the final four outs for his 13th save.

"Larry had a good night," Seattle manager Lou Piniella said. "There are not many first starters in baseball who have won 11 games."

Orioles 9, Yankees 1: In Baltimore, Ben McDonald (12-13) pitched a two-hitter and Chris Hollins and Harold Reynolds each drove in three runs against New York.

The victory moved the Orioles within 1 1/2 games of the second-place Yankees in the AL East. The only hits off McDonald were singles by Dico James in the fourth and Don Mattingly in the sixth. Sterling Hitchcock (1-2) took the loss.

Twins 2, Angels 1: In Minneapolis, Brian Harper's two-out single capped a two-run ninth-inning rally against Mark Langston (15-11). Kevin Tapani (11-15) allowed eight hits and one walk in his third complete game of the year.

Indians 3, Royals 2: In Kansas City, Kevin Appier (17-8) lowered his AL-leading ERA to 2.61 but was outpitched by Jason Grimsley (3-4). The winning run

scored in the seventh on a throwing error by left fielder Chris Gwynn.

Rangers 2, Athletics 0: Athletics 10, Rangers 3: In Arlington, Texas, Kevin Brown (15-11) won his fifth consecutive decision with a four-hitter in the opener. Ron Darling (5-9) took the loss.

In the second game, Oakland scored three runs in the first against last-minute starter Brian Bohannon (4-4).

Red Sox 11, Tigers 6: Tigers 7, Red Sox 6: In Boston, Aaron Sele (7-2) had a career-high 11 strikeouts and ended a streak of seven no-decisions, beating Bill Krueger (5-4). The Red Sox had 15 hits, including seven doubles.

In the second game, Skeeter Barnes' bases-loaded single in the 11th inning off Tony Fossas (1-1) made a winner of Mike Hennehan (5-3).

A Racing Mystery Is Cleared Up

Reuters
LAKE CHARLES, Louisiana — A jockey who took a fog-shrouded short-cut to capture a first place purse has paid the price in court.

He was convicted in 1991 of attempting theft after taking the purse in a 1990 race at Delta Downs. At his trial he denied taking a shortcut but admitted it this year.

He was sentenced Tuesday to 720 hours of community service and a three-year suspended jail term. He pled guilty to a perjury charge.

Four years after he hid his mount in the mist and then slipped ahead of the other racers, Sylvester Car-

DENNIS THE MENACE



JUMBLE THAT SCRAMBLED WORD GAME
By Henry Abbott

Use the letters in the word below to form other words. Write the words in the spaces provided. How many can you find?

THALC

WETTES

WAGIE

How arrange the checked letters to form the words below. No repeated letters.

Answer: JETTY, FORTY, STEEL, BEFORE, ANSWER, HOW, THE, BATTERED, BUT, AFTER, HIS, FIRST, DAY, ON, VACATION, BETTER, OFF.

PEANUTS

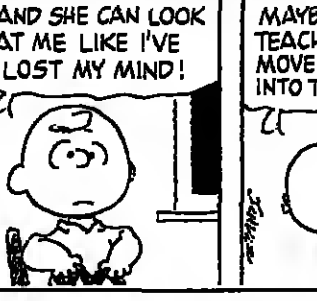


AL ROUNDUP

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CALVIN AND HOBBES



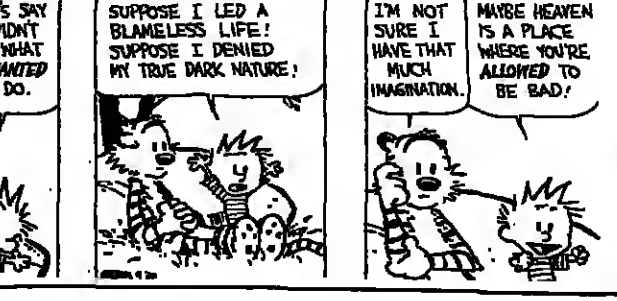
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SPORTS

Rangers Fall To Sofia Team On Away Goals

SOPIA — Glasgow Rangers, unbeaten in Europe last season, were ousted from the European Cup on Wednesday when Levski Sofia struck in injury time for a 2-1 win and advanced on the away goals rule.



Lazio's Aron Winter, left, vying with Lokomotiv Plovdiv's Yordan Marinov in a UEFA Cup match Wednesday in Plovdiv, Bulgaria, won 2-0 by the Italians; they advance to the next round.

Saint-Denis To Be Site of Cup Stadium

PARIS — After months of indecision, the French government Wednesday selected the site for a new super-stadium that will be the centerpiece of the 1998 World Cup.

Bad Game, Good Time British Basketball Woos a Family Audience

By Ian Thomsen International Herald Tribune BIRMINGHAM, England — "It sounds bad," said Michael Smith, "but I haven't spent one minute worrying about the standard of our game."

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for the American League and National League, including teams like Toronto, New York, and Boston.

Wrestling Results

Table showing Wrestling Results for various weight classes, including matches between Yutaiti and Yamori.

Wrestling Results

Table showing Wrestling Results for various weight classes, including matches between Muehler and Yutaiti.

BASEBALL

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Table showing Major League Standings for the American League and National League, including teams like Toronto, New York, and Boston.

HOCKEY

NHL Preseason

Table showing NHL Preseason results for various teams like Toronto, Detroit, and Boston.

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Tuesday's Line Scores

Table showing Tuesday's Line Scores for various baseball games, including Detroit vs Boston and Oakland vs Texas.

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Table showing Tuesday's Line Scores for various baseball games, including Detroit vs Boston and Oakland vs Texas.

SOCCER

First Round, Second Leg Matches

Table showing First Round, Second Leg Matches for various soccer games, including Borussia Dortmund vs Bayern Munich.

TRANSACTIONS

BASEBALL

BALTIMORE — Assistant Director of Mike Cook, pitcher, on 15-day disabled list.

BASEBALL

ATLANTA — Assistant General Manager Jeff Brubaker, pitcher, on 15-day disabled list.

BASEBALL

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ATLANTA — Assistant General Manager Jeff Brubaker, pitcher, on 15-day disabled list.

Aborigines Threaten Sydney Boycott

SYDNEY — Australian aborigines plan to lobby African nations to boycott Sydney's 2000 Olympic Games if the government goes ahead with proposed laws on aboriginal land title.

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Advertisement for Herald Tribune, featuring 'Planning to Run a Classified Ad?' and 'Place your Ad quickly and easily'.

ART BUCHWALD

Waiting for the Fat Lady

WASHINGTON — And speaking of Clinton's health plan — we have a saying in Washington. "The opera isn't over until the fat lady sings." By coincidence, it is the fat lady that President Clinton's program is aimed at.



"Suppose her doctor tells her that she's overweight? Can she seek a second opinion from Weight Watchers?" "Of course she can. She can even get a third one from Jenny Craig if she wants to. Another benefit is that if the fat lady is transferred to another opera company in the middle of her aria, she will still have health coverage."

"Can the fat lady charge her prescriptions under the Clinton plan?" "Yes. But the president insists that profiting on drugs be reduced so he's asking all fat people to take generic drugs wherever possible."

"I have a cousin who is not obese, but he is short. Will short people have the same benefits as fat singers?" "The president says that he wants everyone to be protected. The only question is who would be treated first, the short person or the fat one?"

Chinese Quit Tokyo Fest

TOKYO — The Chinese delegation to the Tokyo International Film Festival said it would leave Wednesday for Beijing after organizers refused to withdraw two unofficial Chinese films.

"Who is going to pay for all this?" I wanted to know. He looked around to see if anyone was listening and whispered, "Luciano Pavarotti."

Danny Glover: The Effects of Apartheid

By Felicia R. Lee

NEW YORK — Danny Glover daydreamed aloud as he took time out from his whirlwind schedule of promoting his new Paramount film, "Bohala," about a black family in South Africa.



Glover's new film, "Bohala," examines the life of a black family in South Africa.

"People don't think that black people want to go see those films," said Glover, 46, who waved his hands for emphasis and sometimes talked so fast that he practically sputtered.

"The perception is that you're going to get a black audience that's primarily young," Glover said. "You know and I know that if they do 'New Jack City,' 'Menace II Society,' 'Boyz n the Hood,' 'Poetic Justice,' that young black kids 12 to 20 are going to see that film. Films are originally designed to make money."

"Bohala" is about the conflicts faced by the family of Master Sergeant Mamba Mangena (Glover), a black policeman whose family lives in a black township on the eastern cape. Aaire Woodard plays his wife, Rosie, and Waynard Eassey plays his son Zwelli. They are forced to examine their relationships with one another and with the government when Zwelli becomes active in the anti-apartheid movement, circa 1980.

"I'm really concerned," Glover said, "about the fact that here's an industry that says, O.K., we'll let you run off and do 'Boyz n the Hood' and 'New Jack City,' but I'm not going to allow you to be an integral part of the kinds of things that we do, the kinds of things which we use to sustain ourselves and to reinvent ourselves and to revalidate ourselves."

"It narrows our own vision of ourselves," he said of the dearth of films about other dimensions of black life. "It narrows our own perspective of the world and our relationship to the world. What I want to do, probably because of my own politics and my own acculturation, is to have a perspective where I have a relationship to the world."

The screenplay was based on a play by Percy Mrwa. Glover said that he and the film's producer, the television personality Arsenio Hall, and its director, the actor Morgan Freeman, were captivated by Mrwa's perspective.

"We liked the concept that it was an African family," Glover said. "When the issue of apartheid has been told, it has not been told from that perspective."

He conceded that in films like "Bohala" he had been lucky enough to escape the celluloid ghetto that confines so many blacks to portraying one-dimensional losers and criminals. His role as the police officer Roger Murrain in three "Lethal Weapon" films made him a household name, although it was far less complex than, say, his roles as Mister, the abusive husband in "The Color Purple," or Henry Menton, the trickster who bedevils a black southern family in "To Sleep With Anger," or Simon, the tow-truck driver who defends Kevin Kline from a black gang in "Grand Canyon."

"Lethal Weapon" made a lot of stuff happen," Glover said. "I can get a 'To Sleep With Anger' date. I can get a 'Satin of Fort Washington' date," he said, referring to the soon-to-be-released film in which he plays a homeless man. He said it was a matter of finding writers and other artists who want to take on those projects, and working with Hollywood on urban-violence films.

"I think that on the one hand, we have to take that genre

and perhaps elevate it," he said. "All those movies worked, in a way. Maybe that's what John Singleton tried to do with 'Poetic Justice' and it didn't work. I thought 'Poetic' was a noble venture," he said of the recent film about a group of black cowboys. "Mario Van Peebles probably tried to do too much, but it's still noble."

When asked if it was important that both the producer and the director of "Bohala" were black, Glover demurred. He said he looked for artists who understood the complexity of the human experience, not just skin color. Glover, who spent the first decade of his life in a San Francisco housing project and whose sensibilities were shaped by the political and artistic frenzy of Haight-Ashbury in the 1960s, has a couple of other projects in mind. One would tell the story of Haiti, the world's first black democracy. The other would tell the story of the coalition between black Americans and American Indians to resist white terrorism.

"In my work now, I want to talk about how people resist," Glover said. "Whether that resistance takes place within the family situation or whether it's affected by the objective conditions, how do they resist?"

PEOPLE

Dino Eggs: Is Spielberg Hatching a New Plot?

Steven Spielberg, director of the hit film "Jurassic Park," was the mystery buyer of 10 dinosaur eggs at a London auction this month, according to The Sun newspaper.

Gloria Vanderbilt, 69, has won a \$1.5 million judgment against a psychiatrist and lawyer, who were accused of preying on her wealth and emotional fragility. The State Supreme Court in New York agreed with a lawyers' disciplinary committee that concluded in 1992 that Thomas A. Andrews, the lawyer, who has since died, had misappropriated funds and diverted them to himself and to Dr. C. L. Zois, the psychiatrist. Andrews was disbarred in December and later died.

Clint Eastwood will head the jury at the Cannes film festival next year.

Blanche Dubois relied on the kindness of strangers in Tennessee Williams' "A Streetcar Named Desire." The playwright's brother may have to rely on the kindness of critics. Dakin Williams, 65, wore a pink plaid dress, white long johns, two glistening strands of pearls and a blond, curly wig to portray the tragic heroine of "Streetcar" at the annual Key West Theatre Festival in Florida. Audience reactions were mixed.

Dietrich Fischer-Dieskau, 68, the Berlin-born baritone, has received Berlin's top cultural award, the Ernst Reuter Plaque, named for the first postwar mayor of West Berlin. Fischer-Dieskau withdrew from opera years ago, and early this year announced he would sing no more in public.

INTERNATIONAL CLASSIFIED Appears on Pages 8 & 19

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.



Table with weather forecasts for Europe, North America, Middle East, Latin America, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

ASIA

Table with weather forecasts for Asia, Africa, and North America. Columns include location, today's high/low, and tomorrow's high/low.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution for the puzzle of Sept. 29.

Another crossword puzzle grid with clues for Across and Down.

"I wonder if the little guy had fun today?"



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